Medicare

**PICO Service and PICO System**

Effective January 1, 2015, two new Category I CPT codes, 97607 and 97608, were established to report negative pressure wound therapy (NPWT) using disposable, non-durable medical equipment this includes:

- provision of exudate management collection system;
- topical application(s);
- wound assessment; and
- instructions for ongoing care

These codes will replace the Medicare created G-codes, G0456 and G0457, that were implemented January 1, 2013 to provide a mechanism for payment of NPWT using a disposable device. Here are the new codes with their descriptions:

- **97607:** Negative pressure wound therapy, (eg, vacuum assisted drainage collection), utilizing disposable, non-durable medical equipment including provision of exudate management collection system, topical application(s), wound assessment, and instructions for ongoing care, per session; total wound(s) surface area less than or equal to 50 square centimeters

- **97608:** Negative pressure wound therapy, (eg, vacuum assisted drainage collection), utilizing disposable, non-durable medical equipment including provision of exudate management collection system, topical application(s), wound assessment, and instructions for ongoing care, per session; total wound(s) surface area greater than 50 square centimeters

While HCPSC A9272 (Suction, Disposable, Includes Dressing, All Accessories and Components, Any Type, Each) has been issued, products reported with this code are not covered by Medicare.

**Hospital Inpatient**

Medicare does not separately reimburse hospitals for the PICO System when performed in the inpatient setting. If covered, payment for the PICO System is included in the MS-DRG for the primary procedure in which it is used. Physician services are separately billable and are reported with the new CPT codes 97607 and 97608.

**Ambulatory Surgical Center**

CPT codes 97607 and 97608 are not recognized as a covered service by Medicare when performed in an Ambulatory Surgical Center.

**Hospital Outpatient Department**

For CY 2015 Medicare has assigned CPT codes 97607 and 97608 (Single Use non-DME Powered Negative Pressure Wound Therapy) to Ambulatory Payment Classification (APC) 0015 Level II Debridement and Destruction with a status indicator of “T” (procedure or service subject to multiple procedure reduction), provided that the NPWT service is medically necessary. The national average payment for CY 2015 is $146.14.

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>2015 Medicare National Average Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>97607</td>
<td>Carrier priced</td>
</tr>
<tr>
<td>97608</td>
<td>Carrier priced</td>
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</tbody>
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<tr>
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<tbody>
<tr>
<td>97607</td>
<td>0015</td>
<td>T</td>
<td>$146.14</td>
</tr>
<tr>
<td>97608</td>
<td>0015</td>
<td>T</td>
<td>$146.14</td>
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</tbody>
</table>

*Status Indicator “T” paid separately; subject to multiple procedure reduction.

**Global Period**

In the final CY 2015 Medicare Physician Fee Schedule rule, Addendum B, CMS has assigned CPT codes 97607 and 97608 a global period indicator of “XXX” (Global concept does not apply). Other CPT codes may be assigned a global period of 0, 10 or 90 days, or “YYY” which is established by the contractor.
Commercial insurers

**PICO™ Device**

Commercial Health Plans may instruct providers to report HCPCS code A9272 Wound Suction, Disposable, Includes Dressing, All Accessories and Components, Any Type, Each, for use in claims reporting of the PICO system. Final determination of coverage for wound suctioning systems will be at individual carrier discretion. Please contact individual carriers for specific claim submission preferences.

**Billing PICO when used in the home**

Because PICO may be used in the home, some health plans may cover the PICO System under their DME benefit or other benefit category. In that case, they may request that HCPCS code A9272 be reported. Final determination of coverage and payment will be at the carrier’s discretion.

<table>
<thead>
<tr>
<th>HCPCS Code</th>
<th>Description</th>
<th>2015 National Average Commercial DME Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A9272</td>
<td>Wound Suction, Disposable, Includes Dressing, All Accessories and Components, Any Type, Each</td>
<td>Carrier discretion</td>
</tr>
</tbody>
</table>

**Modifiers:** In the case where a health plan may cover the PICO device as DME, providers may also be required to submit specific DME modifiers.

<table>
<thead>
<tr>
<th>DME Modifier</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>-NU</td>
<td>New equipment purchase</td>
</tr>
</tbody>
</table>

**PICO topical application and wound assessment**

Individual Health Plans may instruct providers to report the PICO service with CPT® codes 97607 and 97608. This service includes:

1. provision of exudate management collection system;
2. topical application(s);
3. wound assessment; and
4. instructions for ongoing care

- **97607:** Negative pressure wound therapy, (eg, vacuum assisted drainage collection), utilizing disposable, non-durable medical equipment including provision of exudate management collection system, topical application(s), wound assessment, and instructions for ongoing care, per session; total wound(s) surface area less than or equal to 50 square centimeters

- **97608:** Negative pressure wound therapy, (eg, vacuum assisted drainage collection), utilizing disposable, non-durable medical equipment including provision of exudate management collection system, topical application(s), wound assessment, and instructions for ongoing care, per session; total wound(s) surface area greater than 50 square centimeters

Please contact the individual health plans for coding guidance on reporting the PICO service.

**Other Sites of Services**

For coverage and coding guidance of the PICO System when provided in other sites of services, e.g. Ambulatory Surgical Centers, Home Health Care and Long Term Care Hospitals, please contact the individual health plans.

**Indications for use**

PICO is indicated for patients who would benefit from a suction device (negative pressure wound therapy) as it may promote wound healing via removal of low to moderate levels of exudate and infectious materials. Examples of appropriate wound types include:

- Chronic
- Acute
- Traumatic
- Subacute and dehisced wounds
- Partial-thickness burns
- Ulcers (such as diabetic or pressure)
- Flaps and grafts
- Closed surgical incisions

PICO Single Use Negative Pressure Wound Therapy System is suitable for use both in a hospital and homecare setting.

The information contained in this document is not intended to guarantee coverage or reimbursement, and Smith & Nephew makes no other representations as to selecting codes for procedures or compliance with any other billing protocols or prerequisites. As with all claims, individual physicians are responsible for exercising their independent clinical judgment in selecting the codes that most accurately reflect the patient’s condition and procedures performed. Providers should refer to current, complete, and authoritative publications or insurer policies for selecting codes based on the care rendered to an individual patient, and may wish to contact individual carriers, fiscal intermediaries, or other third-party payers as needed for specific information on coverage policies and claims reporting preferences.

**References**

1. CPT copyright 2013 American Medical Association. All rights reserved. CPT is a registered trademark of the American Medical Association.
3. Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Physician-Owned Hospitals: Data Sources for Expansion Exception; Physician Certification of Inpatient Hospital Services; Medicare Advantage Organizations and Part D Sponsors: CMS Identified Overpayments Associated With Submitted Data; Final Rule, Federal Register Vol. 79, No. 217, November 10, 2014, 42 CFR Parts 411, 412, 416, 419, 422, 423 and 424 Addendum B.

For more information or help with these reimbursement materials, please contact:

- Reimbursement hotline: (888) 705-0061
- Web: www.smith-nephew.com/professional/resources/reimbursement/
- Email: AWMReimbursement@smith-nephew.com
- Fax: (800) 472-3848

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