

## Optometry Coding & Billing Alert

### Reader Questions: Don't Tax Carriers' Patience

**Question:** Is there a specific code to use for sales tax when it is listed as a separate line item on the HCFA 1500? My billing software automatically separates sales tax as a separate line item, but I can't find a code anywhere.

Alabama Subscriber

**Answer:** Medicare includes sales tax in the allowable. If you bill it separately, use code A9270 (Noncovered item or service) - but don't expect reimbursement from Medicare.

"Sales taxes where appropriate were included in the calculation of reasonable charges computed," states the Medicare Claims Processing Manual. "They were also accounted for in the calculation of the base fee schedules for DME and orthotic/prosthetic devices. The Consumer Price Index used to update fee schedules also accounts for sales tax. Therefore, contractors do not make any additional payment for sales taxes and do not make adjustments in fees to reflect local changes in tax rates."