Quarter 2 2013 Dermagraft® Medicare Coding & Reimbursement

Site of Service: Ambulatory Surgery Center

Indication: Diabetic Foot Ulcer* (Check with local contractor if used for any other indication)

DERMAGRAFT PRODUCT CODING – MEDICARE & PRIVATE PAYERS

<table>
<thead>
<tr>
<th>HCPCS</th>
<th>Code Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4106</td>
<td>Dermagraft, per sq. cm. [Suggest billing 37.5 or 38 units rounded].</td>
</tr>
</tbody>
</table>

DERMAGRAFT APPLICATION CODING – MEDICARE & PRIVATE PAYERS

<table>
<thead>
<tr>
<th>CPT</th>
<th>Code Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>15275</td>
<td>Application of skin substitute graft to face, scalp, eyelids, mouth, neck, ears, orbits, genitalia, hands, feet, and/or multiple digits, total wound surface area up to 100 sq cm; first 25 sq cm or less wound surface area</td>
</tr>
<tr>
<td>15276</td>
<td>each additional 25 sq cm wound surface area, or part thereof (List separately in addition to code for primary procedure)</td>
</tr>
</tbody>
</table>

MODIFIERS - confirm billing requirements - varies by Medicare contractor

<table>
<thead>
<tr>
<th>Modifier</th>
<th>Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>-JC</td>
<td>Skin substitute used as a graft – paired with Dermagraft HCPCS Q4106 product code</td>
</tr>
<tr>
<td>-JW</td>
<td>Drug amount discarded/not administered to any patient</td>
</tr>
<tr>
<td>-KX</td>
<td>Requirements specified in the medical policy have been met – paired with Dermagraft HCPCS Q4106 product code and CPT application code</td>
</tr>
</tbody>
</table>

ICD-9-CM DIAGNOSIS CODING: Refer to the coverage policy or contact the payer.

Scope of Coverage: Must be medically necessary as determined by the Provider and within the Contractor’s specified coding range. See Medicare Coverage Database at www.cms.gov for the covered coding range.

250.xx Diabetes mellitus [requires 4th or 5th digit based on appropriate diagnosis]
707.14 Ulcer of heel and midfoot [plantar surface of midfoot]
707.15 Ulcer of other part of foot [toes]

This has been prepared for providers using Dermagraft and is intended for informational purposes only. It does not represent a statement, promise or guarantee by Shire Regenerative Medicine, Inc. concerning levels of reimbursement, payment or charges. It is not intended to increase or maximize reimbursement. The decision as to how to complete a reimbursement claim form, including amounts to bill, is exclusively the responsibility of the provider. Consult your local Medicare Contractor LCD or Provider bulletin for additional information.
MEDICARE REIMBURSEMENT – Quarter 2 2013

Amounts represent Medicare’s national average fee schedule for these services. Medicare payment is based on 80 percent of the fee schedule amount. The patient (or secondary insurer) is responsible for the remaining 20 percent. Each insurer’s specific coverage policies apply.

Ambulatory Surgery Center Department Reimbursement

Q4106 + JC: Medicare reimburses Dermagraft® HCPCS code Q4106 with modifier -JC based on $41.87 per sq. cm. or $41.87 x 37.5 sq. cm. = $1,570.10/piece or $1,591.03 when rounded to 38 sq cm.

CPT 15275: $138.45  CPT 15276: $47.34

Physician Reimbursement - Treating in Ambulatory Surgery Center Department

CPT 15275: $103.11  CPT 15276: $25.45

Note: Rates listed above include 2% reduction due to federal budget sequester.

Note: CPT Application Codes - include debridement and/or site preparation; 2013 Conversion Factor is $34.0230

*U.S. FDA APPROVED INDICATION AND CONTRAINDICATIONS

Dermagraft® is intended for use in the treatment of full-thickness diabetic foot ulcers greater than six weeks duration, which extend through the dermis, but without tendon, muscle, joint capsule, or bone exposure. Dermagraft should be used in conjunction with standard wound care regimens and in patients that have adequate blood supply to the involved foot. Dermagraft is contraindicated for use in ulcers that have signs of clinical infection or in ulcers with sinus tracts. Dermagraft is contraindicated in patients with known hypersensitivity to bovine products, as it may contain trace amounts of bovine proteins from the manufacturing medium and storage solution.

Dermagraft Reimbursement Hotline

Hotline Toll-Free Number: 1-866-866-7731 (voice) or

Fax Insurance Benefit Verification Requests to: 1-866-866-7713

The Dermagraft Reimbursement Hotline is committed to ensuring that physician and facility providers receive support in coverage, coding, and reimbursement for Dermagraft.

Additionally, support materials are available for claims processing, including policy information for the third-party payer. Help is also available to research claim denials and steps necessary to appeal.

Order Dermagraft: Contact Shire Regenerative Medicine Customer Service Department at 1 - 877 - Dermagraft (1 - 877 – 337 - 6247)