



MEDICARE

Part A Intermediary
Part B Carrier
DME Regional Carrier

March 17, 2006

FLA Orthopedics, Inc.
2881 Corporate Way
Miramar, FL 33025

Re: System-Loc (3-Piece)

This letter is in response to your request for an updated HCPCS coding verification letter reflecting the manufacturer's name change for the above listed product(s) now manufactured by your company. This letter replaces the letter dated February 26, 2004.

In response to changes in the Healthcare Common Procedure Coding System (HCPCS), we are providing the following Coding Verification information to use for your product(s) when billing Medicare. The SADMERC recognizes and acknowledges the National Panel decisions as changes are made each year to the HCPCS coding system.

In order to ensure appropriate billing to Medicare, these HCPCS coding decisions for your product(s) were reviewed by the SADMERC for correct coding category placement. It is our determination that the above listed product(s) meet(s) the description and characteristics of the HCPCS code for a lumbar-sacral orthosis. Therefore, the correct Medicare billing code for the product(s) is/are:

K0640 Lumbar-sacral orthosis, sagittal control, with rigid anterior and posterior panels, posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment.

The above listed product(s) and HCPCS code(s) were effective April 1, 2004. The product(s) will be added to the Product Classification List. Classification lists are located on our website at www.palmettogba.com. Our HCPCS Coding Helpline is available toll free at 1-877-735-1326.

Effective for dates of service on or after January 1, 2006 use HCPCS code

L0631 Lumbar-sacral orthosis, sagittal control, with rigid anterior and posterior panels, posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment.

Palmetto GBA

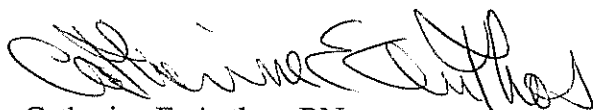
Statistical Analysis Durable Medical Equipment Regional Carrier
Post Office Box 100143 • Columbia, South Carolina • 29202-3143

A CMS Contracted Intermediary and Carrier

This HCPCS coding decision applies to your product(s) as reviewed by the SADMERC in response to the HCPCS National Panel decision(s). Any modification to the product(s) could change the HCPCS code and would need to be reviewed for coding verification. Assignment of a HCPCS code to the product(s) should in no way be construed as an approval or endorsement of the product(s) by SADMERC or Medicare, nor does it imply or guarantee claim reimbursement or coverage. For questions regarding claim coverage or reimbursement please contact your regional DMERC.

If you have any questions regarding this coding decision, please contact me at the address below or by telephone at (803) 763-8215.

Sincerely,

A handwritten signature in black ink, appearing to read "Catherine E. Anthos". The signature is written in a cursive style with some loops and flourishes.

Catherine E. Anthos, RN
HCPCS Medical Analyst
SADMERC