



Related MLN Matters Article #: 4234

Date Posted: January 16, 2006

Related CR #: 4234

Administration of Drugs and Biologicals in a Method II Critical Access Hospital (CAH)

Key Words

MM4234, CR4234, R803CP, Method I, Method II, Drug, Biological, CAH, HCPCS, CR3911, LOCM, CPT, Osmolar

Provider Types Affected

Providers billing Medicare fiscal intermediaries (FIs) for services related to the administration of drugs and biologicals in Method II CAHs

Key Points

- The effective date of the instruction is April 3, 2006.
- The implementation date is April 3, 2006.
- Change Request (CR) 4234 replaces CR3911 (Transmittal 617, rescinded November 8, 2005) and provides updates to the billing requirements for physician involvement (professional component) in the administration of drugs and biologicals in the outpatient department of a Method II CAH.
- Both Method I (Standard Method) and Method II CAHs bill for technical services furnished in the outpatient department.
- Only Method II CAHs bill the FI for physician services furnished in the outpatient department:
 - Method I is a reasonable (cost-based) facility services method with billing of a carrier for professional services (unless the CAH elects payment under Method II); and
 - Method II is the optional method with the billing of a fiscal intermediary (FI) for both facility and professional services. Under Method II, Medicare makes payment for the facility services at the same level that would apply under the reasonable cost method (increasing to 101% for cost reporting periods beginning on or after January 1, 2004), but services of professionals to outpatients are paid at 115% of the amount that would have otherwise been paid under the Medicare Physician Fee Schedule (MPFS).
- CR4234 instructs that the charges for outpatient physician involvement in the administration of Low Osmolar Contrast Material (LOCM) be submitted on Type of Bill (TOB) 85X (Critical Access Hospitals), with:

- The appropriate outpatient hospital visit Current Procedural Terminology (CPT) code for evaluation and management (E & M) services, with
- Revenue Code 096X, 097X or 098X (Professional Fees).
- Table 2 on page 5 of MLN Matters Article MM4234 defines professional fees revenue codes 096X, 097X, and 098X.
- The technical component for LOCM may be billed by both Method I and Method II CAHs with revenue code 0636 (Pharmacy – Drugs Requiring Detailed Coding(s)) and one of the following HCPCS codes, Q9945, Q9946, Q9947, Q9948, Q9949, Q9950, and Q9951, as appropriate.
- Table 1 on page 3 of MLN Matters Article MM4234 includes the HCPCS Codes for LOCM.
- CR4234 further instructs the intermediary to accept the following from a Method II CAH billing for physician involvement for hydration: chemotherapy or LOCM administration; therapeutic or diagnostic injections; and intravenous (IV) infusions (other than hydration), submitted on TOB 85X:
 - CPT codes 99201-99205 (Office or Other Outpatient Visit New) or CPT codes 99211-99215 (Office or Other Outpatient Visit Established); with
 - Revenue codes 096X, 097X or 098X on TOB 85X.
- Table 3 on page 5 of MLN Matters Article MM4234 includes the definition of CPT Codes for New Patients (99201-99205) and Established Patients (99211-99215).

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4234.pdf>

<http://www.cms.hhs.gov/Transmittals/downloads/R803CP.pdf>

<http://www.gpoaccess.gov/cfr/retrieve.html>

<http://www.cms.hhs.gov/Manuals/IOM/list.asp#TopOfPage>