



Related MLN Matters Article #: MM5916

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Adjudicating Claims for Immunosuppressive Drugs When Medicare Did Not Pay for the Original Transplant

Key Words

MM5916, CR5916, R1448CP, CR4241, MM4241, Immunosuppressive, Drugs, Transplant

Provider Types Affected

Suppliers who bill Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for immunosuppressive drugs

Key Points

- The effective date of the instruction is July 1, 2008.
- The implementation date is July 7, 2008.
- Medicare covers a beneficiary's immunosuppressive drugs following an organ transplant, provided that the beneficiary receiving the drug was enrolled in Medicare Part A at the time of the organ transplant procedure.
- Medicare will pay for medically necessary immunosuppressive drugs for such a beneficiary whether or not Medicare paid for the transplant itself.
- Prior to April of 2006, the DME Regional Carriers (DMERCs) received information about the date of a beneficiary's transplant through a DMERC Information Form (DIF), which included a field in which the supplier could enter a transplant date.
- On February 17, 2006, the Centers for Medicare & Medicaid Services (CMS) issued Transmittal 867, Change Request (CR) 4241, which eliminated the DIF. It also implemented an edit at the Medicare's Common Working File (CWF) system to search the Medicare's Master Beneficiary Record (MBR) for a transplant upon receipt of a claim for an immunosuppressive drug.
- **If the CWF system does not find evidence of a transplant in the MBR, the claim line for immunosuppressive drug is rejected.**

- Because CWF does not have a transplant record for a beneficiary when Medicare did not actually pay for the procedure, the DME MACs have been inappropriately denying claims even when such beneficiaries were enrolled in Medicare Part A at the time of their transplant.
- To resolve this issue, CR5916 implements an automated process for adjudicating claims for immunosuppressive drugs when the beneficiary was enrolled in Medicare Part A at the time of their transplant, but Medicare did not pay for the transplant.
- **CR5916 requires that:**
 - For claims **filed on** and after July 1, 2008, suppliers who furnish an immunosuppressive drug to a Medicare beneficiary (in association with a previous organ transplant) are required to:
 - Secure from the prescriber the date of the organ transplant;
 - Retain documentation of the transplant date in its files; and
 - Annotate the Medicare claim for the drug with the KX modifier to signify that the supplier retains the documentation of the beneficiary's transplant date and that the transplant date precedes the Date of Service (DOS) for furnishing the drug.
 - For claims **received on** and after July 1, 2008, DME MACs will accept claims for immunosuppressive drugs without a KX modifier but will deny such claims if the MBR shows that Medicare has made payment for an organ transplant on a date that precedes the DOS of the immunosuppressive drug claim.
- Suppliers should note that the use of the KX modifier (in the context of a claim submitted to Medicare in order to receive payment for an immunosuppressive drug) signifies that the supplier attests that it has documentation on file that the beneficiary has undergone an organ transplant on a particular date while enrolled in Medicare Part A, and that the immunosuppressive drug has been prescribed associated with that transplant.
- A supplier who has not determined (or does not have documentation on file to support a determination) that the beneficiary either did not receive an organ transplant, or was not enrolled in Medicare Part A as of the date of the transplant may not:
 - Bill Medicare for furnishing an immunosuppressive drug;
 - Bill or collect any amount from the beneficiary for such a drug; or
 - Issue an Advance Beneficiary Notice to the beneficiary.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5916.pdf> on the CMS website.

The official instruction (CR5916) issued regarding this change may be found at

<http://www.cms.hhs.gov/Transmittals/downloads/R1448CP.pdf> on the CMS website. The revised *Medicare Claims Processing Manual, Chapter 17 (Drugs and Biologicals), Section 80.3 (Billing for Immunosuppressive Drugs)* is an attachment to that CR.

If providers have any questions, they may contact their DME MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website