



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3620

MLN Matters Number: MM3620

Related CR Release Date: December 16, 2004

Related CR Transmittal #: 396

Effective Date: January 1, 2005

Implementation Date: January 17, 2005

MMA - New Dispensing/Supply Fee Codes for Oral Anti-Cancer, Oral Anti-Emetic, Immunosuppressive, and Inhalation Drugs

Note: This article was updated on May 12, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Suppliers and pharmacies

Provider Action Needed



STOP – Impact to You

Effective January 1, 2005, Medicare will pay a supplying fee for immunosuppressive drugs, oral anti-cancer chemotherapeutic drugs, and oral anti-emetic drugs used as part of an anti-cancer chemotherapeutic regimen in accordance with Section 303(e) (2) of the Medicare Modernization Act (MMA). Medicare will provide a dispensing fee for inhalation drugs supplied through durable medical equipment in accordance with Section 305 of the MMA.

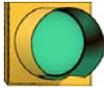


CAUTION – What You Need to Know

Please note the distinction between supply fee and dispensing fee: The supply fee is for immunosuppressives, oral anti-cancer drugs, and oral anti-emetic drugs. The dispensing fee is for inhalation drugs furnished through durable medical equipment only. Also note that Medicare will not pay separately for compounding drugs because Medicare considers that cost as covered in the dispensing fees. Both the drug and the dispensing fee or the supply fee must be billed on the same claim. If the dispensing fee or supply fee is billed alone on the claim, it will be denied.

Disclaimer

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GO – What You Need to Do

This affects pharmacies and suppliers who submit claims to a Medicare Durable Medical Equipment Regional Carrier (DMERC). To ensure accurate claims processing, review the information included here and stay current with instructions for Medicare dispensing/supply fees.

Background

Section 303(e) (2) and Section 305 of the MMA provide for:

- Supplying fees for immunosuppressive drugs, oral anti-cancer chemotherapeutic drugs, and oral anti-emetic drugs used as part of an anti-cancer chemotherapeutic regimen; and
- Dispensing fees for inhalation drugs supplied through durable medical equipment.

The following table shows the codes to use in billing a DMERC and the payments that will be made by Medicare:

Code	Fee	Comments
G0370	\$24	<ul style="list-style-type: none"> • G0370 applies to pharmacy supply fee for oral anti-cancer, oral anti-emetic, or immunosuppressive drug(s). • Effective January 1, 2005, Medicare will pay a supplying fee of \$24 to a pharmacy <i>for each supplied prescription</i> of immunosuppressive drugs, oral anti-cancer drugs, and oral anti-emetic drugs.
G0369	\$50	<ul style="list-style-type: none"> • G0369 applies to pharmacy supply fee for initial immunosuppressive drug(s) first month following transplant. • Effective January 1, 2005, Medicare will pay a supplying fee of \$50 to a pharmacy <i>for the initial supplied prescription of immunosuppressive drugs to the patient during the first month following the transplant.</i> • This is a one-time payment per beneficiary, <u>per transplant</u>.
G0371	\$57	<ul style="list-style-type: none"> • G0371 applies to pharmacy dispensing fee for inhalation drug(s), per 30 days. • Effective January 1, 2005, Medicare will pay a dispensing fee of \$57 to a pharmacy <i>for a 30-day period of inhalation drugs furnished through DME regardless of the number of shipments or drugs dispensed during that time.</i> • Only one dispensing fee payment will be made for the 30-day supply. • Please note that Medicare includes the cost of compounding drugs in the dispensing fees.
G0374	\$80	<ul style="list-style-type: none"> • G0374 applies to pharmacy dispensing fee for inhalation drug(s), per 90 days. • Effective January 1, 2005, Medicare will pay a dispensing fee of \$80 to a pharmacy <i>for each dispensed 90-day period of inhalation drugs furnished through DME regardless of the number of shipments or drugs dispensed during that time.</i> • Only one dispensing fee payment will be made for the 90-day supply. • Please note Medicare includes the cost of compounding drugs in the dispensing fees.

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Additional Information

Beneficiaries are required to pay the normal co-pay and deductible on both the drug and the supply/dispensing fee.

Also, remember that, based on the code descriptions, a supply fee and a dispensing fee is not appropriate for one drug, because the supply fee is for immunosuppressives, oral anti-cancer and oral anti-emetic drugs, whereas the dispensing fee is for inhalation drugs only. Also, remember that both the drug and the dispensing fee or supply fee must be billed on the same claim. If the dispensing fee or supply fee is billed alone, it will be denied.

When billing using the National Council for Prescription Drug Programs (NCPDP) format, the dispensing fee for supply fee (not the code) must appear on the same line as the drug. More specifically, providers should place the \$24 (G0370) supplying fee amount, the \$57 (G0371) dispensing fee amount, or the \$80 (G0374) dispensing fee amount in the Dispensing Fee Submitted field (field 412DC) on the pricing segment of the NCPDP claim.

For the \$50 fee (G0369), providers should place \$24 of the fee in the field 412DC and the remaining \$26 in the Incentive Amount Submitted field (Field 438-E3). When billing a dispensing fee with a drug on the NCPDP claim, providers should bill only one drug per claim.

The official instruction issued to your DMERC regarding this change can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R396CP.pdf> on the CMS website.

The online document also includes the revisions to Medicare's Claims Processing Manual resulting from this change.

If you have questions regarding this issue, you may contact your DMERC at their toll free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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