DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

MLN Matters® Number: MM9549 | **Related Change Request (CR) #: CR 9549**

Related CR Release Date: February 26, 2016 | **Effective Date: April 1, 2016**

Related CR Transmittal #: R3471CP | **Implementation Date: April 4, 2016**

April 2016 Update of the Hospital Outpatient Prospective Payment System (OPPS)

Provider Types Affected

This MLN Matters® Article is intended for providers and suppliers who submit claims to Medicare Administrative Contractors (MACs), including Home Health and Hospice (HH&H) MACs, for services provided to Medicare beneficiaries paid under the Outpatient Prospective Payment System (OPPS).

Provider Action Needed

Change Request (CR) 9549 describes changes to and billing instructions for various payment policies implemented in the April 2016 OPPS update.

The April 2016 Integrated Outpatient Code Editor (I/OCE) and OPPS Pricer will reflect the Healthcare Common Procedure Coding System (HCPCS), Ambulatory Payment Classification (APC), HCPCS Modifier, and Revenue Code additions, changes, and deletions identified in CR9549. The I/OCE update is in CR9553. Upon release of that CR, an MLN Matters article (MM9553) related to the updated I/OCE will be posted on the Centers for Medicare & Medicaid Services (CMS) website. Make sure your billing staffs are aware of these changes.

Key Points of CR9549

Key changes to and billing instructions for various payment policies implemented in the April 2016 OPPS updates are as follows:

Neurostimulator HCPCS Codes C1822 and C1820

HCPCS Code C1822

As described in the January 2016 Update of the OPPS (see **MM 9486**, January 2016 OPPS Update), HCPCS code C1822 (Generator, neurostimulator (implantable), high frequency, with rechargeable battery and charging system) was added to the OPPS pass-through list as a new pass-through device effective January 1, 2016. HCPCS code C1822 is based on a clinical trial that demonstrated that a high frequency spinal cord stimulator operated at 10,000 Hz and paresthesia-free provides a substantial clinical improvement in pain management versus a low-frequency spinal cord stimulator.

HCPCS Code C1820

In the January 2016 OPPS Update, CMS added the words "non-high-frequency" to the descriptor of C1820. CMS is revising the descriptor for C1820 back to its original language and deleting "non-high-frequency" from the descriptor such that the descriptor again states the following: Generator, neurostimulator (implantable), with rechargeable battery and charging system. Neurostimulator generators that are not high frequency should be reported with C1820.

The latest short and long descriptors for HCPCS codes C1822 and C1820 are available at **https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/HCPCS-Quarterly-Update.html** on the CMS Healthcare Common Procedure Coding System (HCPCS) website.

Billing Instructions for Intensity Modulated Radiation Therapy (IMRT) Planning

Payment for the services identified by CPT codes 77014, 77280, 77285, 77290, 77295, 77305 through 77321, 77331, and 77370 are included in the Ambulatory Payment Classification (APC) payment for CPT code 77301 (IMRT planning). These codes should not be reported in addition to CPT code 77301 when provided prior to or as part of the development of the IMRT plan.

Laboratory Drug Testing HCPCS Codes G0477-G0483 Effective January 1, 2016

HCPCS codes G0477-G0483 were published on the CMS website after the release of the January 2016 I/OCE. Consequently, CMS was unable to include them in the January 2016 I/OCE release. These codes are being added to the April 2016 I/OCE release with an effective date of January 1, 2016, and are assigned to Status Indicator (SI) of "Q4" (Conditionally packaged laboratory tests) under the hospital OPPS. The descriptors for Codes G0477-G0483 are listed in Table 1.

Table 1 − Laboratory Drug Testing HCPCS Codes G0477-G0483

HCPCS Code	Short Descriptor	Long Descriptor	OPPS SI
G0477	Drug test presumptive optical	Drug test(s), presumptive, any number of drug classes; any number of devices or procedures, (e.g., immunoassay) capable of being read by direct optical observation only (e.g., dipsticks, cups, cards, cartridges), includes sample validation when performed, per date of service	Q4
G0478	Drug test presumptive opt inst	Drug test(s), presumptive, any number of drug classes; any number of devices or procedures, (e.g., immunoassay) read by instrument-assisted direct optical observation (e.g., dipsticks, cups, cards, cartridges), includes sample validation when performed, per date of service.	Q4
G0479	Drug test presumptive not opt	Drug test(s), presumptive, any number of drug classes; any number of devices or procedures by instrumented chemistry analyzers utilizing immunoassay, enzyme assay, TOF, MALDI, LDTD, DESI, DART, GHPC, GC mass spectrometry), includes sample validation when performed, per date of service.	Q4
G0480	Drug test def 1-7 classes	Drug test(s), definitive, utilizing drug identification methods able to identify individual drugs and distinguish between structural isomers (but not necessarily stereoisomers), including, but not limited to GC/MS (any type, single or tandem) and LC/MS (any type, single or tandem and excluding immunoassays (e.g., IA, EIA, ELISA, EMIT, FPIA) and enzymatic methods (e.g., alcohol dehydrogenase)); qualitative or quantitative, all sources(s), includes specimen validity testing, per day, 1-7 drug class(es), including metabolite(s) if performed.	Q4
G0481	Drug test def 8-14 classes	Drug test(s), definitive, utilizing drug identification methods able to identify individual drugs and distinguish between structural isomers (but not necessarily stereoisomers), including, but not limited to GC/MS (any type, single or tandem) and LC/MS (any type, single or tandem and excluding immunoassays (e.g., IA, EIA, ELISA EMIT, FPIA) and enzymatic	Q4

HCPCS Code	Short Descriptor	Long Descriptor	OPPS SI
		methods (e.g., alcohol dehydrogenase)); qualitative or quantitative, all sources(s), includes specimen validity testing, per day, 8-14 drug class(es), including metabolite(s) if performed.	
G0482	Drug test def 15-21 classes	Drug test(s), definitive, utilizing drug identification methods able to identify individual drugs and distinguish between structural isomers (but not necessarily stereoisomers), including, but not limited to GC/MS (any type, single or tandem) and LC/MS (any type, single or tandem and excluding immunoassays (e.g., IA, EIA, ELISA, EMIT, FPIA) and enzymatic methods (e.g., alcohol dehydrogenase)); qualitative or quantitative, all sources(s), includes specimen validity testing, per day, 15-21 drug class(es), including metabolite(s) if performed.	Q4
G0483	Drug test def 22+ classes	Drug test(s), definitive, utilizing drug identification methods able to identify individual drugs and distinguish between structural isomers (but not necessarily stereoisomers), including, but not limited to GC/MS (any type, single or tandem) and LC/MS (any type, single or tandem and excluding immunoassays (e.g., IA, EIA, ELISA, EMIT, FPIA) and enzymatic methods (e.g., alcohol dehydrogenase)); qualitative or quantitative, all sources(s), includes specimen validity testing, per day, 22 or more drug class(es), including metabolite(s) if performed.	Q4

Drugs, Biologicals, and Radiopharmaceuticals

Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2016

For Calendar Year (CY) 2016, payment for nonpass-through drugs, biologicals and therapeutic radiopharmaceuticals is made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. In CY 2016, a single payment of ASP + 6 percent for pass-through drugs, biologicals and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. Payments for drugs and biologicals based on ASPs will be updated on a

quarterly basis as later quarter ASP submissions become available. Updated payment rates effective April 1, 2016, and drug price restatements are available in the April 2016 update of the OPPS Addendum A and Addendum B at **http://www.cms.gov/HospitalOutpatientPPS/** on the CMS website.

Drugs and Biologicals with OPPS Pass-Through Status Effective April 1, 2016

Ten drugs and biologicals have been granted OPPS pass-through status effective April 1, 2016. See codes listed in Table 2.

Table 2 – Drugs and Biologicals with OPPS Pass-Through Status Effective April 1, 2016

HCPCS Code	Long Descriptor	APC	SI
C9137	Injection, Factor VIII (antihemophilic factor, recombinant) PEGylated, 1 I.U.	1844	G
C9138	Injection, Factor VIII (antihemophilic factor, recombinant) (Nuwiq), 1 I.U.	1846	G
C9461	Choline C 11, diagnostic, per study dose	9461	G
C9470	Injection, aripiprazole lauroxil, 1 mg	9470	G
C9471	Hyaluronan or derivative, Hymovis, for intra-articular injection, 1 mg	9471	G
C9472	Injection, talimogene laherparepvec, 1 million plaque forming units (PFU)	9472	G
C9473	Injection, mepolizumab, 1 mg	9473	G
C9474	Injection, irinotecan liposome, 1 mg	9474	G
C9475	Injection, necitumumab, 1 mg	9475	G
J7503	Tacrolimus, extended release, (envarsus xr), oral, 0.25 mg	1845	G

Revised Status Indicator for HCPCS Codes

The status indicator for CPT code 90653 (Influenza vaccine, inactivated (IIV), subunit, adjuvanted, for intramuscular use) will change from SI=E (Not paid by Medicare when submitted on outpatient claims (any outpatient bill type)) to SI=L (Not paid under OPPS paid at reasonable cost, not subject to deductible or coinsurance).

The status indicator for HCPCS code J0130 (Injection abciximab, 10 mg) will change from SI=K (Paid under OPPS; separate APC payment) to SI=N (Paid under OPPS; payment is packaged into payment for other services).

The status indicator for HCPCS code J0583 (Injection, bivalirudin, 1 mg) will change from SI K (Paid under OPPS; separate APC payment) to SI=N (Paid under OPPS; payment is packaged into payment for other services).

The status indicator for HCPCS code J1443 (Injection, Ferric Pyrophosphate Citrate Solution, 0.1 mg of iron) will change from SI=E (Not paid by Medicare when submitted on outpatient claims (any outpatient bill type)) to SI=N (Paid under OPPS; payment is packaged into payment for other services).

The status indicator for HCPCS code J2704 (Injection, Propofol, 10mg) will change from SI=E (Not paid by Medicare when submitted on outpatient claims (any outpatient bill type)) to SI=N (Paid under OPPS; payment is packaged into payment for other services).

These codes and the effective dates for the status indicator changes are listed in Table 3.

Table 3 – Drugs and Biologicals with Revised Status Indicators

HCPCS Code	Long Descriptor	Status Indicator	Effective Date
90653	Influenza vaccine, inactivated (IIV), subunit, adjuvanted, for intramuscular use	L	11/24/2015
J0130	Injection abciximab, 10 mg	N	1/1/2016
J0583	Injection, bivalirudin, 1 mg	N	1/1/2016
J1443	Injection, Ferric Pyrophosphate Citrate Solution, 0.1 mg of iron	N	1/1/2016
J2704	Injection, Propofol, 10mg	N	1/1/2016

Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals based on ASP methodology will have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible on the first date of the quarter at **https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/OPPS-Restated-Payment-Rates.html** on the CMS website.

Providers may resubmit claims that were impacted by adjustments to previous quarter's payment files.

Revised Billing Instruction for Stereotactic Radiosurgery (SRS) Planning and Delivery

Effective for cranial single session stereotactic radiosurgery procedures (CPT code 77371 or 77372) furnished on or after January 1, 2016, until December 31, 2017, costs for certain adjunctive services (for example, planning and preparation) are not factored into the APC payment rate for APC 5627 (Level 7 Radiation Therapy). Rather, the ten planning and preparation codes listed in Table 4, will be paid according to their assigned status indicator when furnished 30 days prior or 30 days post SRS treatment delivery.

In addition, hospitals must report modifier "CP" (Adjunctive service related to a procedure assigned to a comprehensive ambulatory payment classification [C-APC] procedure) on Type of Bill (TOB) 13X claims for any other services (excluding the ten codes in table 4) that are adjunctive or related to SRS treatment but billed on a different claim and within either 30 days prior or 30 days after the date of service for either CPT code 77371 (Radiation treatment delivery, stereotactic radiosurgery, complete course of treatment cranial lesion(s) consisting of 1 session; multi-source Cobalt 60-based) or CPT code 77372 (Linear accelerator based). The "CP" modifier need not be reported with the ten planning and preparation CPT codes listed in table 4. Adjunctive/related services include but are not necessarily limited to imaging, clinical treatment planning/preparation, and consultations. Any service related to the SRS delivery should have the CP modifier appended. CMS does not expect the "CP" modifier to be reported with services such as chemotherapy administration as this is considered to be a distinct service that is not directly adjunctive, integral, or dependent on delivery of SRS treatment.

Table 4 – Excluded Planning and Preparation CPT Codes

CPT Code	CY 2016 Short Descriptor	CY 2016 Status Indicator
70551	Mri brain stem w/o dye	Q3
70552	Mri brain stem w/dye	Q3
70553	Mri brain stem w/o & w/dye	Q3
77011	Ct scan for localization	N
77014	Ct scan for therapy guide	N
77280	Set radiation therapy field	S
77285	Set radiation therapy field	S
77290	Set radiation therapy field	S
77295	3-d radiotherapy plan	S
77336	Radiation physics consult	S

Changes to OPPS Pricer Logic

Effective April 1, 2016, there will be four diagnostic radiopharmaceuticals (1 newly approved) and one contrast agent receiving pass-through payment in the OPPS Pricer logic. For APCs containing nuclear medicine procedures, Pricer will reduce the amount of the pass-through diagnostic radiopharmaceutical or contrast agent payment by the wage-adjusted offset for the APC with the highest offset amount when the radiopharmaceutical or contrast agent with pass-through appears on a claim with a nuclear procedure. The offset

will cease to apply when the diagnostic radiopharmaceutical or contrast agent expires from pass-through status. The offset amounts for diagnostic radiopharmaceuticals and contrast agents are the "policy-packaged" portions of the CY 2016 APC payments for nuclear medicine procedures and are available on the CMS website. MACs will adjust, as appropriate, claims brought to their attention with any retroactive changes that were received prior to implementation of the April 2016 OPPS Pricer.

Coverage Determinations

The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the OPPS does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. MACs determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

These HCPCS codes will be included with the April 2016 I/OCE update. Status and payment indicators for these HCPCS codes will be listed in the April 2016 update of the OPPS Addendum A and Addendum B at **https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html** on the CMS website.

Additional Information

The official instruction, CR9549, issued to your MAC regarding this change is available at **https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3471CP.pdf** on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at **http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html** under - How Does It Work.