

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9945

Related Change Request (CR) #: CR 9945

Related CR Release Date: January 13, 2017

Effective Date: April 1, 2017

Related CR Transmittal #: R3692CP

Implementation Date: April 3, 2017

April 2017 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing Files and Revisions to Prior Quarterly Pricing Files

Provider Types Affected

This MLN Matters® Article is intended for physicians, providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

What You Need to Know

Change Request (CR) 9945 provides the April 2017 quarterly update and instructs MACs to download and implement the April 2017 ASP drug pricing files and, if released by the Centers for Medicare & Medicaid Services (CMS), the revised January 2017, October 2016, July 2016, and April 2016 Average Sales Price (ASP) drug pricing files for Medicare Part B drugs. Medicare will use these files to determine the payment limit for claims for separately payable Medicare Part B drugs processed or reprocessed on or after April 3, 2017, with dates of service April 1, 2017, through June 30, 2017. MACs will not search and adjust claims previously processed unless brought to their attention.

For claims with a date of service on or after January 1, 2017, and consistent with Section 5004 of the 21st Century Cures Act, which was signed into law on December 13, 2016, payment for infusion drugs furnished through a covered item of Durable Medical Equipment (DME) will be based on Section 1847A of the Social Security Act, meaning that most of the payments will be based on the ASP of these drugs. Payment for DME infusion drugs that do not appear on the ASP Drug Pricing Files will be determined by the MACs in accordance with the “Medicare Claims Processing Manual,” Chapter 17, Section 20.1.3, which is available at <https://www.cms.gov/Regulations-and->

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[Guidance/Guidance/Manuals/Downloads/clm104c17.pdf](#). Make sure your billing staffs are aware of these changes.

Background

The ASP methodology is based on quarterly data submitted to CMS by manufacturers. CMS will supply MACs with the ASP and Not Otherwise Classified (NOC) drug pricing files for Medicare Part B drugs on a quarterly basis. Payment allowance limits under the Outpatient Prospective Payment System (OPPS) are incorporated into the Outpatient Code Editor (OCE) through separate instructions that are in Chapter 4, Section 50 of the “Medicare Claims Processing Manual” at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c04.pdf>.

The following table shows how the quarterly payment files will be applied

| Files | Effective Dates of Service |
|------------------------------|--------------------------------------------|
| April 2017 ASP and ASP NOC | April 1, 2017, through June 30, 2017 |
| January 2017 ASP and ASP NOC | January 1, 2017, through March 31, 2017 |
| October 2016 ASP and ASP NOC | October 1, 2016, through December 31, 2016 |
| July 2016 ASP and ASP NOC | July 1, 2016, through September 30, 2016 |
| April 2016 ASP and ASP NOC | April 1, 2016, through June 30, 2016 |

Additional Information

The official instruction, CR9945, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3692CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

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