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Information for Medicare Fee-For-Service Health Care Professionals

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MMA - Drug Administration Coding Changes and Reimbursement

Note: This article was updated on April 9, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Physicians, providers, and suppliers

Provider Action Needed

This article informs physicians, providers, and suppliers that the Centers for Medicare & Medicaid Services (CMS) will implement drug administration coding and payment changes recommended by the American Medical Association's (AMAs) Current Procedural Coding Terminology (CPT) Editorial Panel and Relative Value Update Committee (RUC).

CMS will also provide reimbursement that reflects the additional resource costs of multiple administrations of chemotherapy and non-chemotherapy drugs.

Additionally, this article clarifies billing procedures for services related to management of significant adverse drug reactions related to chemotherapy drugs and treatments.

Background

Creating New Billing Codes for Drug Administration in 2005

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) includes provisions for evaluating drug administration codes used by physicians to bill for administering drugs to patients, and if additional codes for clarifications are needed, the MMA requires a prompt process for adding these new codes.

CMS uses the American Medical Association's (AMAs) Current Procedural Coding Terminology (CPT) system for coding of physicians' services. The CPT Editorial Panel established a work group that recently made recommendations to the CPT Editorial Panel to adopt selected new drug administration codes and refined several existing codes.

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These new codes, which address concerns that physicians have raised about the drug administration codes, will reflect the additional resources costs associated with infusing a second cancer drug. Also, in 2005, oncologists and other physicians will be able to bill Medicare for more than one administration of both non-chemotherapy and chemotherapy drugs.

Subsequent to the completion of the CPT Editorial Panel's work, the AMA's Relative Value Update Committee (RUC) met to make recommendations to CMS regarding the resource inputs for the new and refined drug administration codes.

CMS will act to implement these new codes beginning January 1, 2005. These new and refined CPT codes will be included in the CPT system and become operational in 2006, and CMS will establish G-Codes for 2005 to be operational in advance of their formal inclusion in the CPT system.

In addition, CMS plans to use the RUC's recommended values for the new and refined drug administration codes beginning January 1, 2005. The work and practice expense inputs for each of the new drug codes are included in the Additional Information section below.

Clarifying Billing for Managing Significant Adverse Drug Reactions

The CPT Workgroup recommended additional codes to capture services provided by physicians and their staff in conjunction with drug administration. These include physician time required to monitor and attend to patients who develop significant adverse reactions to chemotherapy drugs, or otherwise have complications in the course of chemotherapy treatment.

While the CPT Workgroup recommended new codes to recognize these services, the CPT Editorial Panel believes that existing codes can be used. However, some physicians may not be aware of their ability to bill these services using existing CPT codes, and they are not being appropriately compensated for all the services they provide in conjunction with chemotherapy administration. Physicians can bill existing codes that reflect the time, resources, and complexity of services they and their staff provide for management of significant adverse drug reactions. Note that this is in addition to the billing normally allowed for the physician's care of a cancer patient. The existing codes that can and should be used include the following:

- **Bill for Doctor Visit.** If a patient has a significant adverse reaction to drugs during a chemotherapy session and the physician intervenes, the physician can bill for a visit in addition to the chemotherapy administration services.
- **Bill for Higher Level Doctor Visit.** If the patient had already seen the doctor prior to a chemotherapy session for a problem that is unrelated to the supervision of the administration of chemotherapy drugs, the doctor may bill a visit service for a significant adverse drug reaction. The total time, resources and complexity of the physician's interaction with the patient may justify a higher level of a visit service.
- **Bill for Prolonged Service.** If the patient already had a physician visit prior to the chemotherapy session and experienced a significant adverse reaction to drugs on the same day, the physician can bill a prolonged service code, in addition to the doctor visit. There are several code combinations to use, depending on the number of minutes involved. The physician must have a face-to-face encounter with

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the patient and must spend at least 30 minutes beyond the threshold or typical time for that level of visit for the physician to bill the prolonged service code.

- **Bill for Critical Care Service.** If the patient already had a physician visit prior to the chemotherapy session and experienced a life-threatening adverse reaction to the drugs, the physician can bill for a critical care service in addition to the visit if the physician's work involves at least 30 minutes of direct face-to-face involvement managing the patient's life-threatening condition. Examples of life threatening conditions are: central nervous failure; circulatory failure; and shock, renal, hepatic, metabolic and/or respiratory failure.

Assuring Accuracy of Drug Payments

CMS is continuing its work to ensure that drug pricing data under the new Average Sales Price (ASP) system are accurate, and CMS published first-quarter ASP data for the drugs that make up over 70 percent of oncology drug expenses.

CMS revised the method manufacturers used to apply rebates and discounts in order to make the ASP prices more accurate and is awaiting the independent report from the Government Accountability Office (GAO) on the adequacy of Medicare payments for drugs under the ASP system.

CMS is also considering a number of interesting comments about payment for cancer care that were submitted on the physician fee schedule proposed rule. CMS is considering these comments carefully and will announce its decisions in the final rule in the beginning of November. CMS plans to continue to work with oncology groups to identify ways in which oncology practices, particularly small practices and practices in relatively rural areas, can obtain the most favorable drug prices possible and is taking these steps now to allow the maximum time possible for oncology practices to plan for 2005.

Additional Information

If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found <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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