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Special Requirements for Immunosuppressive Drugs

MLN Matters Number: MM10370 Related Change Request (CR) Number: 10370

Related CR Release Date: December 8, 2017 Effective Date: August 1, 2016

Related CR Transmittal Number: R3932CP Implementation Date: March 9, 2018

Note: This article was revised on March 28, 2018, to add links to SE17032 and MM10235. SE17032 reminds pharmacy billing staff of the appropriate process for billing Medicare for immunosuppressive drugs using the KX modifier. MM10235 is based on CR10235 which updates language in the "Medicare Claims Processing Manual," to remove a double negative statement and provide clear guidance to suppliers for when you may bill Medicare for immunosuppressive drugs. All other information is unchanged.

PROVIDER TYPE AFFECTED

This MLN Matters Article is intended for physicians, providers and suppliers billing Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for immunosuppressive drugs provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

The Centers for Medicare & Medicaid Services (CMS) is revising the Part B date of service requirements for the first immunosuppressive drug claim after the beneficiary is discharged from an inpatient stay as follows: in order to allow payment for a claim for an immunosuppressive drug that is mailed by a supplier either 1 or 2 days before a beneficiary is discharged from an inpatient facility, the supplier may enter the date of discharge as the date of service. The manual changes in CR10370 are effective as of August 1, 2016. Make sure your billing staffs are aware of the revision.

BACKGROUND

Under Medicare Part B, the date of service on a supplier's immunosuppressive drug claim must be the date the supplier actually delivered or mailed the item. Thus, if a supplier mails a prescription shortly before the end of a beneficiary's inpatient stay and uses the mailing date as the date of service, the claim processing system will reject the supplier's claim because the claim's date of service precedes the beneficiary's date of discharge. As a result, beneficiaries whose immunosuppressive drug prescriptions are mailed on the day of discharge from an inpatient facility may be at risk for an interruption in their immunosuppressive drug therapy.

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CMS is revising the date of service requirements for the first immunosuppressive drug claim after the beneficiary is discharged from an inpatient stay as follows: in order to allow payment for a claim for an immunosuppressive drug that is mailed by a supplier either 1 or 2 days before a beneficiary is discharged from an inpatient facility, the supplier may enter the date of discharge as the date of service.
The Manual update associated with CR10370 is based on the section titled Special Optional Requirements for Immunosuppressive Drugs in CR 2731, which was issued on June 27, 2003. CR 2731 is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1804B3.pdf. The manual changes in CR10370 are limited to the date of service requirement for immunosuppressive drugs paid under Medicare Part B and do not alter coverage provisions, claim submission, or delivery requirements for immunosuppressive drugs.

Inpatient facilities (for example hospitals) are responsible for providing drugs during a beneficiary's inpatient stay. However, once the beneficiary has returned home, Part B suppliers (including pharmacies) provide immunosuppressive drugs, and the DME MACs make payments for Part B covered immunosuppressive drugs.

Under normal circumstances, the date of service listed on a supplier's claim must be the date the supplier actually delivered or mailed the item. However, suppliers that utilize mail-order delivery may wish to mail immunosuppressive drug prescriptions 1 or 2 days prior to the date that a beneficiary will be discharged from an inpatient facility, so that the drugs will be available at the beneficiary's home immediately after the beneficiary returns. In this situation, the systems will reject the supplier's immunosuppressive drug claim because the date of service precedes the beneficiary's date of discharge; the hospital remains responsible for the provision of immunosuppressive drugs while the beneficiary is still an inpatient.

In order to obtain payment for immunosuppressive drug prescriptions that have been mailed 1 or 2 days before a beneficiary's discharge, the supplier may enter the date of discharge as the date of service on the first claim it submits for the beneficiary after the beneficiary is discharged from an inpatient facility. Note that this is an optional, not mandatory, process. If the supplier chooses not to mail the immunosuppressive drug(s) prior to the beneficiary's date of discharge from the hospital, they may wait for the beneficiary to be discharged before delivering the drugs, and follow all applicable Medicare and DME MAC rules for immunosuppressive drug billing (for example, the date of service will be the date of delivery).

Note that the following conditions also apply:

1. The facility remains responsible for all immunosuppressive drugs required by the beneficiary for the duration of the beneficiary's inpatient stay. The supplier must not receive separate payment for immunosuppressive drugs prior to the date the beneficiary is discharged.
2. The supplier must not mail or otherwise dispense the drugs any earlier than 2 days before the beneficiary is discharged. It is the supplier's responsibility to confirm the beneficiary's discharge date if they choose to take advantage of this option.
3. The supplier must not submit a claim for payment prior to the beneficiary's date of discharge.

4. The beneficiary's discharge must be to a qualified place of service (for example, home, or custodial facility), but not to another facility (for example, inpatient hospital or skilled nursing facility) that does not qualify as the beneficiary's home.

ADDITIONAL INFORMATION

The official instruction, CR10370, issued to your MAC regarding this change is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3932CP.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/

DOCUMENT HISTORY

Date of Change	Description
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December 8, 2017	Initial article released