



Ensuring Organ Acquisition Charges Are Not Included in the Inpatient Prospective Payment System (IPPS) Payment Calculation

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Related Change Request (CR) Number: 11087

Related CR Release Date: **February 21, 2019**

Effective Date: July 1, 2019

Related CR Transmittal Number: **R2262OTN**

Implementation Date: July 1, 2019

Note: We revised this article on February 22, 2019, to reflect the revised CR11087 issued on February 21. CMS revised the CR to exclude revenue codes 0815 and 0819, used to report stem cell acquisition services, for which payment is included in the MS-DRG payment. We made the same change to the article. Also, we revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.

PROVIDER TYPES AFFECTED

This MLN Matters® Article is intended for providers and suppliers submitting claims paid under the Inpatient Prospective Payment System (IPPS) to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR11087 which informs MACs about system changes to ensure that organ acquisition costs are not included in the IPPS payment calculation for claims that group to a non-transplant Medicare Severity Diagnostic Related Group (MS-DRG). Make sure that your billing staffs are aware of these changes.

BACKGROUND

There are two payment components for organ transplantation. Approved transplant centers are paid a PPS rate based on a MS-DRG for the actual organ transplant and they are also reimbursed for the reasonable and necessary costs associated with acquiring the organ (that is, organ acquisition costs).

Organ acquisition costs for heart, kidney, liver, lung, pancreas, and intestinal/multi-visceral transplantations incurred by approved transplant centers are treated as an adjustment (pass through payment) to the hospital's IPPS payment. Applicable acquisition charges are submitted separately by revenue code 0811 (Acquisition of Body Components, Living Donor) or 0812

(Acquisition of Body Components, Cadaver Donor) and are not included in the DRG-based payment for the transplant under the IPPS.

Currently, the MACs deduct organ acquisition charges (as defined above) prior to processing through the inpatient pricer by identifying the presence of a transplant MS-DRG and then subtracting charges billed with revenue codes 081x. The Centers for Medicare & Medicaid Services has learned that in some cases, under the MS-DRG grouping logic, claims will group to non-transplant MS-DRGs which bypasses the logic to deduct organ acquisition charges prior to processing through the inpatient pricer, which could result in an overpayment.

To prevent such potential overpayments, Medicare's Fiscal Intermediary Shared System (FISS) will deduct organ acquisition charges billed with revenue codes 081X, **excluding 0815 and 0819**, from the total covered charges prior to sending an inpatient Type of Bill (TOB) 11X claim to the IPPS pricer for any date of service processed on or after July 1, 2019.

Note: MACs will adjust claims brought to their attention for a transplant claim grouped to non-transplant MS-DRG and the organ acquisition charges billed with 081X were included in the IPPS Pricer

CR11087 contains no new policy. It improves the implementation of existing organ acquisition costs payment policy.

ADDITIONAL INFORMATION

The official instruction, CR11087, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R2262OTN.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

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February 22, 2019	We revised the article to reflect the revised CR11087 issued on February 21. CMS revised the CR to exclude revenue codes 0815 and 0819, used to report stem cell acquisition services, for which payment is included in the MS-DRG payment. We made the same change to the article. Also, we revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.
January 25, 2019	Initial article released.

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