

MLN Matters Number: MM3540

Related Change Request (CR) #: 3540

Related CR Release Date: November 26, 2004

Effective Date: January 1, 2004

Related CR Transmittal #: R377CP

Implementation Date: December 28, 2004

Hospital Outpatient Prospective Payment System (OPPS): Misclassified Drugs and Biologicals, Ganciclovir Long Act Implant, Bcg Live Intravesical Vac, and Gallium ga 67; Adjustments Due to Misclassification

Note: This article was updated on May 12, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Hospitals paid under the Outpatient Prospective Payment System (OPPS).

Provider Action Needed

The intent of this article is to provide hospitals background information on the misclassification of Ganciclovir Long Act Implant (Ganciclovir), Bcg Live Intravesical Vac (Bcg), and Gallium ga 67 (Gallium), and to alert hospitals of the process by which the Centers for Medicare & Medicaid Services (CMS) intends to correct erroneous hospital payments that were made due to the misclassification of these drugs.

In the April 2004 OPPS update (Change Request 3144), CMS misclassified Ganciclovir Long Act Implant, Bcg Live Intravesical Vac, and Gallium ga 67 (Gallium) as multiple-source products and, as a result, implemented codes, effective January 1, 2004, for both a generic and a brand name form of each drug, as follows:

| Generic Codes | Brand Name Codes |
|------------------------------------|------------------------------------|
| J7310 Ganciclovir long act implant | C9412 Ganciclovir implant, brand |
| J9031 Bcg live intravesical vac | C9416 Bcg live intravesical, brand |
| Q3002 Gallium ga 67 | C9434 Gallium ga 67, brand |

CMS corrected the error in the October 2004 OPPS update by deleting from the OPPS Outpatient Code Editor (OCE) the brand name codes for Bcg and Gallium,

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C9416 and C9434, effective January 1, 2004, and correcting the payment rates for all three drugs in the OPSS PRICER (see table below).

NOTE: CMS inadvertently neglected to delete the brand name code for Ganciclovir, C9412, in the October 2004 OPSS update, but will delete C9412, effective January 1, 2004, in the January 1, 2005 OPSS update.

In Table B4 of the October 2004 OPSS update change request, CR3420, CMS issued the correct HCPCS code assignments and payment rates for Ganciclovir, Bcg, and Gallium effective January 1, 2004 through December 31, 2004, as follows:

Reclassified Drugs and Biologicals

| HCPCS | SI | APC | Long Descriptor | Payment Rate | Minimum Unadjusted Copayment |
|-------|----|------|--|--------------|------------------------------|
| J7310 | K | 0913 | Ganciclovir, 4.5 mg, Long-Acting Implant | \$4,400.00 | \$880.00 |
| J9031 | K | 0809 | BCG (Intravesical) per Instillation | \$148.33 | \$29.67 |
| Q3002 | K | 1619 | Supply of Radiopharmaceutical diagnostic Imaging Agent, Gallium GA 67, per mCi | \$28.73 | \$5.75 |

After implementation of the October 2004 OPSS update (CR 3420), hospitals that wish to do so may submit adjustment requests for any claims containing HCPCS codes J7310, C9412, J9031, C9416, Q3002, or C9434, with dates of service on or after January 1, 2004 that were processed and paid between January 1, 2004 and implementation of the October update (October 4, 2004).

Because the brand name codes for Bcg and Gallium, C9416 and C9434, were deleted in the October 2004 OPSS update, adjustment requests that are submitted after implementation of the October 2004 OPSS update that contain C9416 and C9434 will be returned to the provider.

Additionally, because the brand name code for Ganciclovir, C9412, will be deleted effective January 1, 2004, in the January 2005 OPSS update, adjustment requests submitted after implementation of the January 2005 OPSS update that contain C9412 will also be returned to the provider.

NOTE: Consequently, hospitals will need to change the HCPCS on adjustment requests submitted after implementation of the October 2004 update from C9416 to J9031 for Bcg and from C9434 to Q3002 for Gallium. Further, hospitals will need to change the HCPCS on adjustment requests submitted after installation of the January 2005 OPSS update from C9412 to J7310 for Ganciclovir.

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Additional Information

To view CR3540, go to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R377CP.pdf> on the CMS website.

If you have any questions, please contact your FI at their toll free number, which may be found at <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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