



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3728

MLN Matters Number: MM3728

Related CR Release Date: February 3, 2005

Related CR Transmittal #: 140

Effective Date: January 1, 2005

Implementation Date: February 5, 2005

Revisions to January 2005 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File

Note: This article was updated on April 3, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

All Medicare physicians, providers, and suppliers

Provider Action Needed



STOP – Impact to You

The Centers for Medicare & Medicaid Services (CMS) is revising certain payment limits included in the first quarter 2005 (1Q05) Medicare Part B Drug Pricing File used by Medicare carriers and intermediaries, including durable medical equipment regional carriers (DMERCs) and regional home health intermediaries (RHHIs).



CAUTION – What You Need to Know

Medicare carriers and intermediaries, including DMERCs and RHHIs, will not apply these limits to claims already processed unless brought to their attention by the provider/supplier.



GO – What You Need to Do

Medicare carriers and intermediaries, including DMERCs and RHHIs, will not apply these limits to claims already processed unless brought to their attention by the provider/supplier.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Background

According to Section 303 of the Medicare Modernization Act of 2003 (MMA), beginning January 1, 2005 drugs and biologicals not paid on a cost or prospective payment basis will be paid based on the new Average Sales Price (ASP) method. The ASP method is based on data submitted to CMS by manufacturers at the 11-digit National Drug Code (NDC) level. CMS then determines the number of billable units per NDC based on published drug pricing information as well as other sources available to CMS.

Through receipt of additional information, CMS has determined certain payment limits in the 1Q05 Medicare Part B Drug Pricing File need revision. Tables 1 and 2 below identify the revised payment limits. The limits apply to dates of service on or after January 1, 2005, and on or before March 31, 2005. The revised payment limits in this notification supersede the payment limits for these codes in any publication published prior to CR 3728.

Also, note that the ASP-based 1Q05 payment limit for J7510, Q4054, and Q4055 are now provided. The revised payment limit for 90740, a vaccine, is based on 95% of the average wholesale price (AWP). The revised payment limits for the blood clotting factor codes includes the \$0.14 per I.U. furnishing fee. The payment limits in Table 2 are for certain new drugs.

Table 1

HCPCS	Short Description	HCPCS Code Dosage	1Q05 Payment Limit	1Q05 Independent ESRD Limit	1Q05 Vaccine Limit
90740	Hepb vacc, ill pat 3 dose im	3 DOSE SCH	\$113.91	\$113.91	\$113.91
J7190*	Factor viii	I.U.	\$0.66	\$0.66	
J7191*	Factor viii (porcine)	I.U.	\$1.86	\$1.86	
J7192*	Factor viii recombinant	I.U.	\$1.06	\$1.06	
J7193*	Factor ix non-recombinant	I.U.	\$0.89	\$0.89	
J7194*	Factor ix complex	I.U.	\$0.63	\$0.63	
J7195*	Factor ix recombinant	I.U.	\$0.98	\$0.98	
J7197*	Antithrombin iii injection	I.U.	\$1.72	\$1.72	
J7198*	Anti-inhibitor	I.U.	\$1.23	\$1.23	
J7510	Prednisone oral per 5 mg	5 MG	\$0.05	\$0.05	
Q0187*	Factor viia recombinant	1.2 MG	\$1,051.45	\$1,051.45	
Q2022*	Von Willebrand Factr Cmplx per IU	I.U.	\$0.86	\$0.86	
Q4054	Darbepoetin alfa, ESRD use	1MCG	\$3.54	\$3.54	
Q4055	Epoetin alfa, ESRD use	1,000 units	\$9.32	\$9.76	

- The ASP-based payment allowance limit for blood clotting factors and the furnishing fee for the blood clotting factors do not apply to inpatient claims.

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Table 2

HCPCS Code	Drug Name	Dosage	1Q05 Payment Limit	1Q05 Independent ESRD Limit	1Q05 Vaccine Limit
J3490	Pegaptamib sodium	0.3 MG	\$1,054.70	\$1,054.70	
J9999	Histrelin implant	5 MG	\$530.00	\$530.00	
J9999	Natalizumab	5 MG	\$31.94	\$31.94	

Note: The absence or presence of a HCPCS code and its associated payment limit does not indicate Medicare coverage of the drug or biological.

Additional Information

The official instruction issued to your carrier/intermediary regarding this change may be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1400TN.pdf> on the CMS website.

CMS will also update the Microsoft Excel files on the CMS web site to reflect these revised payment limits. Those files are at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B-Drugs/McrPartBDrugAvgSalesPrice/index.html> on the CMS website.

If you have any questions, please contact your carrier/intermediary 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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