



# MLN Matters®



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Related Change Request (CR) #: 3992

MLN Matters Number: MM3992

Related CR Release Date: August 19, 2005

Related CR Transmittal #: 653

Effective Date: April 1, 2005, July 1, 2005, and October 1, 2005, respectively

Implementation Date: October 3, 2005

## *October 2005 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File, Effective October 1, 2005, and Revisions to April 2005 and July 2005 Quarterly ASP Medicare Part B Drug Pricing Files*

**Note:** This article was updated on June 5, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

All Medicare providers who bill Medicare contractors: carriers, including Durable Medical Equipment Regional Carriers (DMERCs), Fiscal Intermediaries (FIs), and Regional Home Health Intermediaries (RHHIs)

### Provider Action Needed



#### **STOP – Impact to You**

CR3992 provides the payment allowance limits in the April 2005, July 2005, and October 2005 drug pricing files. The revised payment limits for the codes listed in this article supersede the payment limits for these codes in any publication published prior to this document.

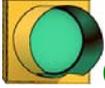


#### **CAUTION – What You Need to Know**

Be aware that certain Medicare Part B drug payment limits were revised for dates of service on or after April 1, 2005; on or before June 30, 2005; on or after July 1, 2005, and on or before September 30, 2005.

#### 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.



### GO – What You Need to Do

Make certain your billing staff is aware of these changes. The downloads for the April 2005, July 2005, and October 2005 ASP drug pricing files are available after September 19, 2005. See the *Additional Information* section in this article for the web site address.

## Background

According to Section 303 (c) of the Medicare Modernization Act (MMA), the Centers for Medicare & Medicaid Services (CMS) will update the payment allowances for Medicare Part B drugs on a quarterly basis. Beginning January 1, 2005, Part B drugs (that are not paid on a cost or prospective payment basis) are paid based on 106 percent of the ASP.

The ASP is calculated using data submitted to CMS by manufacturers on a quarterly basis. Each quarter, CMS will update your carrier/FI payment allowance limits with the ASP files.

### Exceptions

There are, however, exceptions to the general rule and they were summarized in MM3846 effective April 1, 2005. This article may be found at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM3846.pdf> on the CMS website.

The **one new exception** listed in this CR states that the payment allowance limits for radiopharmaceuticals are not subject to ASP. Medicare contractors (carriers, DMERCs, FIs, and RHHs) will determine payment limits for radiopharmaceuticals based on invoice pricing or the methodology in place in November 2003.

## Additional Information

The official instruction issued to your Medicare contractor regarding this change may be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R653CP.pdf> on the CMS website.

CMS will also update the Microsoft Excel files on the CMS website 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 Medicare contractor 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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