

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM7457

Related Change Request (CR) #: 7457

Related CR Release Date: July 29, 2011

Effective Date: October 1, 2008

Related CR Transmittal #: R9220TN

Implementation Date: January 3, 2012

Addition of Medical Severity Diagnosis Related Group (MS-DRG) 265 to the List Subject to Inpatient Prospective Payment System (IPPS) Replaced Devices Offered Without Cost or With a Credit Policy

Note: This article was updated on September 4, 2012, to reflect current Web addresses. All other content remains the same.

Provider Types Affected

Hospitals submitting claims to Fiscal Intermediaries (FIs) and Parts A/B Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries relating to replaced medical devices are affected by this article.

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Provider Action Needed

This article, based on CR 7457, informs you that MS-DRG 265 is being added to the list of DRGs subject to the final policy for the IPPS reimbursement of replaced devices offered without cost or with a credit. Please be sure to inform your billing staffs of this change. In addition, **to expedite processing in view of timely filing edits, please reference CR7457 in the remarks section of applicable claims or adjustments.**

Background

Recently, the Centers for Medicare & Medicaid Services (CMS) was made aware that MS-DRG code 265 was omitted from the list of DRGs subject to the final policy for the IPPS reimbursement of replaced devices offered without cost or with a credit. In FY 2008, both the Automatic Implantable Cardiac Defibrillator (AICD) Generator Procedures and the Lead Procedures were combined in MS-DRG 245. When the MS-DRGs for FY 2009 were created, the AICD Lead Procedures were separated from the generators and grouped to MS-DRG 265.

CR 5860 instructed providers to bill the amount of the credit for a replaced device if the hospital receives a credit that is 50% or greater than the cost of the device effective for discharges on or after October 1, 2008. Medicare will reduce the hospital reimbursement for one of the applicable MS-DRGs listed in that CR by the full or partial credit a provider received for a replaced device as associated with value code "FD." CR 5860 is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM5860.pdf> on the CMS website.

MS-DRG 265, AICD Lead Procedures, is being added to the list in the table below of MS-DRGs subject to the policy for adjusting IPPS reimbursement for replaced devices offered without cost or with a credit.

DRGs Subject to Final Policy		
MDC	MS-DRG	Narrative Description of DRG
PRE	1 & 2	Heart Transplant or Implant of Heart Assist System with and without MCC, respectively (former MS-DRG 103, Heart Transplant or Implant of Heart Assist System)
1	25 & 26	Craniotomy and Endovascular Intracranial Procedure with MCC or with CC, respectively (former CMS-DRG 1, Craniotomy Age > 17 With CC)
1	26 & 27	Craniotomy and Endovascular Intracranial Procedure with CC or without CC/MCC, respectively (former CMS-DRGs 2, Craniotomy Age > 17 Without CC)

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DRGs Subject to Final Policy		
MDC	MS-DRG	Narrative Description of DRG
1	40 & 41	Peripheral & Cranial Nerve & Other Nervous System Procedure with MCC; or with CC or Peripheral Neurostimulator, respectively (former CMS-DRG, 7 Peripheral & Cranial Nerve & Other Nervous System Procedures With CC)
1	42	Peripheral & Cranial Nerve & Other Nervous System Procedure without CC/MCC (former CMS-DRG 8, Peripheral & Cranial Nerve & Other Nervous System Procedures without CC)
1	23 & 24	Craniotomy with Major Device Implant or Acute Complex Central Nervous System Principal Diagnosis with MCC or Chemotherapy Implant; and without MCC [or Chemotherapy Implant], respectively (former CMS-DRG 543, Craniotomy With Major Device Implant or Acute Complex Central Nervous System Principal Diagnosis)
3	129 & 130	Major Head & Neck Procedures with CC/MCC or Major Device; or without CC/MCC, respectively (former CMS-DRG 49, Major Head & Neck Procedures)
5	216, 217, & 218	Cardiac Valve & Other Major Cardiothoracic Procedure with Cardiac Catheterization With MCC; or with CC; or without CC/MCC, respectively (former CMS-DRG 104, Cardiac Valve & Other Major Cardiothoracic Procedures with Cardiac Catheterization)
5	219, 220, & 221	Cardiac Valve & Other Major Cardiothoracic Procedure without Cardiac Catheterization with MCC; or with CC, or without CC/MCC, respectively (former CMS-DRG 105, Cardiac Valve & Other Major Cardiothoracic Procedures Without Cardiac Catheterization)
5	237	Major Cardiovascular Procedures with MCC or Thoracic Aortic Aneurysm Repair (former CMS-DRG 110, Major Cardiovascular Procedures With CC)
5	238	Major Cardiovascular Procedures without MCC (former CMS-DRG 111, Major Cardiovascular Procedures without CC)
5	260, 261, & 262	Cardiac Pacemaker Revision Except Device Replacement with MCC, or with CC, or without CC/MCC, respectively (former CMS-DRGs117, Cardiac Pacemaker Revision Except Device Replacement)
5	258 & 259	Cardiac Pacemaker Device Replacement With MCC, and Without MCC, respectively (former CMS-DRG 118, Cardiac Pacemaker Device Replacement)
5	226 & 227	Cardiac Defibrillator Implant without Cardiac Catheterization with MCC and without MCC, respectively (former CMS-DRG 515, Cardiac Defibrillator Implant without Cardiac Catheterization)
5	215	Other Heart Assist System Implant (former CMS-DRG 525, Other Heart Assist System Implant)
5	222 & 223	Cardiac Defibrillator Implant with Cardiac Catheterization with Acute Myocardial Infarction/Heart Failure/Shock with MCC and without MCC, respectively (former CMS-DRGs 535, Cardiac Defibrillator Implant with Cardiac Catheterization with Acute Myocardial Infarction/Heart Failure/Shock)

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DRGs Subject to Final Policy		
MDC	MS-DRG	Narrative Description of DRG
5	224 & 225	Cardiac Defibrillator Implant with Cardiac Catheterization without Acute Myocardial Infarction/Heart Failure/Shock with MCC and without MCC, respectively (former CMS-DRG 536, Cardiac Defibrillator Implant with Cardiac Catheterization without Acute Myocardial Infarction/Heart Failure/Shock)
5	242, 243, & 244	Permanent Cardiac Pacemaker Implant with MCC, with CC, and without CC/MCC, respectively (MS-DRG 551, Permanent Cardiac Pacemaker Implant with Major Cardiovascular Diagnosis or AICD Lead or Generator)
5	242, 243, & 244	Permanent Cardiac Pacemaker Implant with MCC, with CC, and without CC/MCC, respectively (former CMS-DRG 552, Other Permanent Cardiac Pacemaker Implant without Major Cardiovascular Diagnosis)
5	245	AICD Generator Procedures (this is a new MS-DRG, created from AICD and generator codes moved out of CMS DRG 551)
5	265	AICD Lead procedures
8	461 & 462	Bilateral or Multiple Major Joint Procedures of Lower Extremity with MCC, or without MCC, respectively (former CMS-DRG 471, Bilateral or Multiple Major Joint Procedures of Lower Extremity)
8	469 & 470	Major Joint Replacement or Reattachment of Lower Extremity with MCC or without MCC, respectively (former CMS-DRG 544, Major Joint Replacement or Reattachment of Lower Extremity)
8	466, 467, & 468	Revision of Hip or Knee Replacement with MCC, with CC, or without CC/MCC, respectively (former CMS-DRG 545, Revision of Hip or Knee Replacement)

Additional Information

The official instruction, CR 7457, issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R922OTN.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC 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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