

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



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MLN Matters® Number: MM7624

Related Change Request (CR) #: CR 7624

Related CR Release Date: October 27, 2011

Effective Date: January 1, 2012

Related CR Transmittal #: R2331CP

Implementation Date: January 3, 2012

January 2012 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing Files and Revisions to Prior Quarterly Pricing Files

Provider Types Affected

Physicians, providers, and suppliers submitting claims to Medicare contractors (carriers, Durable Medical Equipment Medicare Administrative Contractors (DME MACs), Fiscal Intermediaries (FIs), A/B Medicare Administrative Contractors (A/B MACs), and/or Regional Home Health Intermediaries (RHHIs)) for services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 7624 which instructs your Medicare contractors to download and implement the January 2012 Average Sales Price (ASP) Medicare Part B drug pricing file for Medicare Part B drugs and, if released by the Centers for Medicare & Medicaid Services (CMS), also to download and implement the revised October 2011, July 2011, April 2011, and January 2011 files. Medicare will use these files to determine the payment limit for claims for separately payable Medicare Part B drugs processed or reprocessed on or after January 3, 2012, with dates of service January 1, 2012, through March 31, 2012.

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Background

The Medicare Modernization Act of 2003 (MMA; Section 303(c); see <http://www.cms.gov/MMAUpdate/downloads/PL108-173summary.pdf> on the Centers for Medicare & Medicaid Services (CMS) website) revised the payment methodology for Part B covered drugs and biologicals that are not priced on a cost or prospective payment basis. The Average Sales Price (ASP) methodology is based on quarterly data submitted to CMS by manufacturers. CMS will supply contractors with the ASP and Not Otherwise Classified (NOC) drug pricing files for Medicare Part B drugs on a quarterly basis. Payment allowance limits under the OPSS are incorporated into the Outpatient Code Editor (OCE) through separate instructions that can be located in the "Medicare Claims Processing Manual" (Chapter 4, Section 50; see <http://www.cms.gov/manuals/downloads/clm104c04.pdf> on the CMS website).

The following table shows how the quarterly payment files will be applied:

Files	Effective for Dates of Service
January 2012 ASP and ASP NOC	January 1, 2012, through March 31, 2012
October 2011 ASP and ASP NOC	October 1, 2011, through December 31, 2011
July 2011 ASP and ASP NOC	July 1, 2011, through September 30, 2011
April 2011 ASP and ASP NOC files	April 1, 2011, through June 30, 2011
January 2011 ASP and ASP NOC files	January 1, 2011, through March 31, 2011

Additional Information

The official instruction, CR7624, issued to your carriers, DME MACs, FIs, A/B MACs, and RHHs regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R2331CP.pdf> on the CMS website.

If you have any questions, please contact your carriers, DME MACs, FIs, A/B MACs, or RHHs at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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