

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



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- "[Transitional Care Management Services](#)," Fact Sheet, ICN 908628, Hard Copy only.

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Related Change Request (CR) #: CR 8428

Related CR Release Date: August 23, 2013

Effective Date: October 1, 2013

Related CR Transmittal #: R2775CP

Implementation Date: October 7, 2013

October 2013 Update of the Hospital Outpatient Prospective Payment System (OPPS)

Provider Types Affected

This MLN Matters® Article is intended for providers and suppliers who submit claims to Medicare contractors (Fiscal Intermediaries (FIs), Part A Medicare Administrative Contractors (A MACs), and/or Regional Home Health Intermediaries (RHHIs)) for services provided to Medicare beneficiaries and paid under the Outpatient Prospective Payment System (OPPS).

Provider Action Needed

This article is based on Change Request (CR) 8428 which describes changes to the OPPS to be implemented in the October 2013 update. Be sure your billing staff are aware of these changes.

Background

(CR8428 describes changes to and billing instructions for various payment policies implemented in the October 2013 OPPS update. The October 2013 Integrated Outpatient Code Editor (I/OCE) and OPPS Pricer will reflect the Healthcare Common Procedure Coding System (HCPCS), Ambulatory Payment

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Classification (APC), HCPCS Modifier, and Revenue Code additions, changes, and deletions identified in CR8428.

Note that the October 2013 revisions to I/OCE data files, instructions, and specifications are provided in the October I/OCE CR8419, "October 2013 Integrated Outpatient Code Editor (I/OCE) Specifications Version 14.3." A related MLN Matters® Article is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8419.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

The key changes in the October 2013 update to the hospital OPPS are as follows:

Changes to Device Edits for October 2013

The most current list of device edits is available under "Device, Radiolabeled Product, and Procedure Edits" at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/> on the CMS website. Failure to pass these edits will result in the claim being returned to the provider.

New Device Pass-Through Categories

The Social Security Act (Section 1833(t)(6)(B)); see http://www.ssa.gov/OP_Home/ssact/title18/1833.htm) requires that, under the OPPS, categories of devices be eligible for transitional pass-through payments for at least 2, but not more than 3 years. The Social Security Act (Section 1833(t)(6)(B)(ii)(IV)) requires that CMS create additional categories for transitional pass-through payment of new medical devices not described by existing or previously existing categories of devices.

CMS is establishing one new device pass-through category as of October 1, 2013, as shown in the following table:

HCPCS	Effective Date	SI	APC	Short Descriptor	Long Descriptor	Device Offset from Payment
C1841	10-01-13	H	1841	Retinal prosth int/ext comp	Retinal prosthesis, includes all internal and external components	\$0

a. Device Offset from Payment

The Social Security Act (Section 1833(t)(6)(D)(ii)) requires CMS to deduct from pass-through payments for devices an amount that reflects the portion of the APC payment amount that CMS determines is associated with the cost of the device (70 FR 68627-8; see 2005 Federal Register, Vol. 70, pages 68627-8 at <http://www.gpoaccess.gov/fr/retrieve.html> on the Internet).

CMS is unable to identify a portion of the APC payment amount associated with the cost of C1841 (Retinal prosthesis, includes all internal and external components) in APC 0672, Level III, Posterior segment eye procedures. The device offset from payment represents a deduction from pass-through payments for devices associated with the device in category C1841, and CMS believes there are

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none. Therefore, CMS is establishing an offset amount for C1841 of \$0 and will not make any offset deduction from pass-through payment.

Billing for Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective October 1, 2013

In the Calendar Year (CY) 2013 OPPS/ASC final rule with comment period, CMS stated that payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. In cases where adjustments to payment rates are necessary based on the most recent ASP submissions, CMS will incorporate changes to the payment rates in the October 2013 release of the OPPS Pricer. The updated payment rates, effective October 1, 2013, will be included in the October 2013 update of the OPPS Addendum A and Addendum B, which will be posted at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html> on the CMS website.

b. Drugs and Biologicals with OPPS Pass-Through Status Effective October 1, 2013

Two drugs and biologicals have been granted OPPS pass-through status effective October 1, 2013. These items, along with their descriptors and APC assignments, are identified in the following table:

HCPCS Code	Long Descriptor	APC	Status Indicator Effective 10/1/13
C1204	Technetium Tc 99m tilmanocept, diagnostic, up to 0.5 millicuries	1463	G
C9132	Prothrombin complex concentrate (human), Kcentra, per i.u. of Factor IX activity	9132	G

c. Fluzone (Influenza virus vaccine)

Current Procedural Terminology (CPT) code 90685 was effective January 1, 2013; however, the flu vaccine associated with this code was not approved by the Food and Drug Administration (FDA) until recently. Specifically, Fluzone (Influenza virus vaccine) was approved by the FDA on June 7, 2013. Because of this recent FDA approval, CMS is revising the status indicator for CPT code 90685 from "E" (Not paid by Medicare) to "L" (Influenza Vaccine; Pneumococcal Pneumonia Vaccine) effective June 7, 2013.

d. Revised Status Indicator for HCPCS Codes Q4135 and Q4136 Effective October 1, 2013

Effective October 1, 2013, the status indicators (SIs) for HCPCS code Q4135 (Mediskin, per square centimeter) and HCPCS code Q4136 (Ez-derm, per square centimeter) will change from SI=E (not paid by Medicare when submitted on outpatient claims (any outpatient bill type)) to SI=K (paid under OPPS; separate APC payment). For the remainder of CY 2013, HCPCS code Q4135 and HCPCS code Q4136 will be separately paid and the prices for these codes will be updated on a quarterly basis.

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e. Updated Payment Rate for HCPCS code J1566 Effective July 1, 2013, through September 30, 2013

The payment rate for J1566 was incorrect in the July 2013 OPPS Pricer. Providers that had claims containing J1566 and a date of service on July 1, 2013, through September 30, 2013, and that were incorrectly paid may request their MAC to adjust the claims. The corrected payment rate is listed in the following table:

HCPCS Code	Status Indicator	APC	Short Descriptor	Corrected Payment Rate	Corrected Minimum Unadjusted Copayment
J1566	K	2731	Immune globulin, powder	\$30.66	\$6.13

Coverage Determinations

The fact that a drug, device, procedure, or service is assigned a HCPCS code and a payment rate under the OPPS does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Fiscal Intermediaries (FIs)/Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, FIs/MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

Additional Information

The official instruction, CR 8428 issued to your MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2775CP.pdf> on the CMS website.

If you have any questions, please contact your 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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