

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1057</b>	<b>Date: SEPTEMBER 15, 2006</b>
	<b>Change Request 5264</b>

**NOTE: Transmittal 1052, dated September 8, 2006, is rescinded and replaced with Transmittal 1057, because in the Business Requirements section 5264.4, references to the file name that the contractors shall use as stated in Requirement Number 5264.3 was inadvertently left out. In addition, the AB/MAC annotation was not listed in the "Other" column for Requirement Numbers 5264.4 through 5264.7. All other information in this instruction remains the same.**

**SUBJECT: Maintenance and Update of the Temporary Hook Created to Hold OPPS Claims that Include Certain Drug HCPCS Codes**

**I. SUMMARY OF CHANGES:** Transmittal 875, Change Request (CR) 4371 issued on February 24, 2006, instructed SSMS to hook and hold claims with bill types 12x, 13x or 76x, with dates of service on or after April 1, 2006, where one or more of the drug HCPCS codes on the list attached to CR 4371 was included. The hook program should be maintained and updated each quarter based on the list of drug HCPCS found at the address

**New\Revised Material:**  
**Effective Date: January 1, 2007**  
**Implementation Date: January 2, 2007**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)  
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budget.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – Recurring Update Notification

<b>Pub. 100-04</b>	<b>Transmittal: 1057</b>	<b>Date: September 15, 2006</b>	<b>Change Request 5264</b>
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**SUBJECT: Maintenance and Update of the Temporary Hook Created to Hold OPPS Claims that Include Certain Drug HCPCS Codes**

## I. GENERAL INFORMATION

**A. Background:** CMS pays for all outpatient drugs using the Average Sales Price (ASP) methodology. The schedule for submission of all ASP pricing is statutory per Section 621(a) of the MMA. Drug manufacturers are required to submit drug ASPs within 30 days of the close of their fiscal quarter. Given the complexity, volume of data, and the number of drugs affected, approximately 6 weeks are required to process, validate, and issue final ASPs for a given quarter. The ASP rates for drugs furnished on or after January 1, 2007, will not be available until mid-December 2006. The ASP rates for drugs furnished on or after April 1, 2007, will not be available until mid-March 2007. The ASP rates for drugs furnished on or after July 1, 2007, will not be available until mid-June 2007 and the ASP rates for drugs furnished on or after October 1, 2007, will not be available until mid-September 2007 respectively.

The OPPS PRICER is ready for implementation on the first day of each quarter. However, certain drug HCPCS that will be updated quarterly, will not have the new drug prices included for the reasons explained above. Claims for dates of service falling under the new OPPS PRICER that include one or more drug HCPCS codes from the file, found at the address specified in the Business Requirements below, are to be held by the Fiscal Intermediary (FI) until a revised OPPS PRICER is installed in their production region. Refer to the OPPS PRICER Schedule below for the OPPS PRICER installation deadlines.

### OPPS PRICER Schedule

Update	Drug HCPCS codes available to FISS/FIs	OPPS Pricer Updated/Sent to FISS	FISS Release Revised OPSS Pricer to Data Centers	Latest Test Installation Date	Latest Production Installation Date	FI's Begin to Release Claims
January 1, 2007	11/15/06	12/28/06	01/04/07	01/08/07	01/18/07	01/19/07
April 1, 2007	2/16/2007	3/23/07	3/29/07	4/2/07	4/12/07	4/13/07
July 1, 2007	5/12/2007	6/22/07	6/28/07	7/2/07	7/12/07	7/13/07

October 1, 2007	8/11/2007	9/21/07	9/27/07	10/1/07	10/11/07	10/12/07
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**B. Policy:** Transmittal 875, Change Request (CR) 4371 issued on February 24, 2006, instructed FISS to “hook” and hold claims with bill types 12x, 13x, or 76x, with dates of service on or after the first day of each quarter, that include one or more drug HCPCS codes from the list that will be provided quarterly. The “hook” program should be maintained and updated each quarter based on the list of drug HCPCS found at the address provided in the Business Requirements below. This process should continue until further notice.

## II. BUSINESS REQUIREMENTS

*“Shall” denotes a mandatory requirement*

*“Should” denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
					F I S S	M C S	V M S	C W F		
5264.1	FISS shall install the revised OPSS PRICER each quarter on the dates specified in the OPSS PRICER Schedule in Section I.A					X				
5264.1.1	FISS shall test the revised OPSS PRICER each quarter on the dates specified in the OPSS PRICER Schedule in Section I.A					X				
5264.1.2	FISS shall release the revised OPSS PRICER each quarter on the dates specified in the OPSS PRICER Schedule in Section I.A					X				
5264.2	FISS shall continue maintaining the hook logic created in CR 4142, which holds claims with bill types 12x, 13x, 76x, or 13x with condition code 41, with dates of services on or after the first day of each quarter that include one or more drug HCPCS code from the list that will be provided quarterly.					X				



Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
5264.7	Quarterly, the Contractor shall process “hooked” claims to payment after the revised OPPTS PRICER software containing the updated ASP drug pricing has become effective in production.	X								A/B MAC

**III. PROVIDER EDUCATION**

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
	None.									

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies:** N/A

**F. Testing Considerations:** N/A

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2007</p> <p><b>Implementation Date:</b> January 2, 2007</p> <p><b>Pre-Implementation Contact(s):</b> Policy: Chuck Braver at (410) 786-6719 or <a href="mailto:chuck.braver@cms.hhs.gov">chuck.braver@cms.hhs.gov</a> PRICER: Joe Bryson at (410) 786-2986 or <a href="mailto:joseph.bryson@cms.hhs.gov">joseph.bryson@cms.hhs.gov</a> <b>Post-Implementation Contact(s):</b> Regional Office</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</b></p>
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