

<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 1359</b>	<b>Date: OCTOBER 26, 2007</b>
	<b>Change Request 5762</b>

**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 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.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE:** \*January 1, 2008

**IMPLEMENTATION DATE:** January 7, 2008

*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:**

**SECTION A:** For Fiscal Intermediaries and Carriers:

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

**SECTION B:** For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**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: 1359</b>	<b>Date: October 26, 2007</b>	<b>Change Request: 5762</b>
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**SUBJECT: Maintenance and Update of the Temporary Hook Created to Hold OPPS Claims that Include Certain Drug HCPCS Codes**

**EFFECTIVE DATE: January 1, 2008**

**IMPLEMENTATION DATE: January 7, 2008**

## 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, 2008, will not be available until mid-December 2007. The ASP rates for drugs furnished on or after April 1, 2008, will not be available until mid-March 2008. The ASP rates for drugs furnished on or after July 1, 2008, will not be available until mid-June 2008 and the ASP rates for drugs furnished on or after October 1, 2008, will not be available until mid-September 2008 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 OPPS Pricer to Data Centers	Latest Test Installation Date	Latest Production Installation Date	FIs Begin to Release Claims
January 1, 2008	11/17/2007	12/21/2007	12/27/2007	12/31/2007	1/13/2008	1/14/2008
April 1, 2008	2/18/2008	3/21/2008	3/27/2008	3/31/2008	04/10/2008	4/11/2008
July 1, 2008	5/12/2008	6/20/2008	6/26/2008	6/30/2008	07/10/2008	7/11/2008
October 1, 2008	8/11/2008	9/19/2008	9/25/2008	9/29/2008	10/09/2008	10/10/2008

**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 TABLE

Use “Shall” to denote a mandatory requirement

Number	Requirement	A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5762.1	FISS shall install the revised OPPTS PRICER each quarter on the dates specified in the OPPTS PRICER Schedule in Section I.A						X				
5762.1.1	FISS shall test the revised OPPTS PRICER each quarter on the dates specified in the OPPTS PRICER Schedule in Section I.A						X				
5762.1.2	FISS shall release the revised OPPTS PRICER each quarter on the dates specified in the OPPTS PRICER Schedule in Section I.A						X				
5762.2	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				
5762.2.1	FISS shall continue this process until further notice.						X				
5762.2.2	FISS shall release this logic as a part of the quarterly releases so that this logic is available to FIs prior to the 1 <sup>st</sup> business day of each quarter.						X				
5762.3	FISS shall use the following file name to download from the CMS data center the list of drug HCPCS codes that are to be incorporated into their hook logic: <a href="mailto:MU00. @AAA2360.ASP.HCPC.MMY">MU00. @AAA2360.ASP.HCPC.MMY</a> with the MMY indicating the month and year of the update.						X				
5762.4	The FI and A/B MAC shall use the same file name listed in the business requirement	X		X							

Number	Requirement	A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	5762.3 to download the list of drug HCPCS codes from CMS that should appear on the claims that are to be “hooked”.										
5762.5	FISS, FIs, and A/B MACs shall refer to the OPPS PRICER Schedule in Section I.A. for the file availability dates.	X		X			X				
5762.6	The FI and A/B MACs shall “hook” claims which contain one or more drug HCPCS codes from the list provided quarterly by CMS with the dates of service from the first day in each quarter until the installation of the OPPS PRICER containing the updated ASP drug pricing information.	X		X							
5762.6.1	The FI and A/B MAC shall refer to Section I.A for the PRICER Installation deadlines.	X		X							
5762.7	Quarterly, the FI and A/B MAC shall process “hooked” claims to payment after the revised OPPS PRICER software containing the updated ASP drug pricing has become effective in production.	X		X							

### III. PROVIDER EDUCATION TABLE

Number	Requirement	A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
N/A											

### IV. SUPPORTING INFORMATION

**A. For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

X-Ref Requireme nt Number	Recommendations or other supporting information:

**B. For all other recommendations and supporting information, use this space:**

## V. CONTACTS

**Pre-Implementation Contact(s):** Policy: Marina Kushnirova [marina.kushnirova@cms.hhs.gov](mailto:marina.kushnirova@cms.hhs.gov) or Chuck Braver [chuck.braver@cms.hhs.gov](mailto:chuck.braver@cms.hhs.gov)  
PRICER: Joe Bryson [joseph.bryson@cms.hhs.gov](mailto:joseph.bryson@cms.hhs.gov)

**Post-Implementation Contact(s):** Regional Office

## VI. FUNDING

**A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2008 operating budgets.

**B. For Medicare Administrative Contractors (MAC), use the following statement:**

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.