

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1734	Date: October 27, 2016
	Change Request 9742

SUBJECT: Phase 3 - Updating the Fiscal Intermediary Shared System (FISS) to Make Payment for Drugs and Biologicals Services for Outpatient Prospective Payment System (OPPS) Providers

I. SUMMARY OF CHANGES: This change request implements an additional system change necessary to the Fiscal Intermediary Shared System (FISS) and Integrated Outpatient Code Editor (IOCE) necessary to make payment for drugs and biologicals to Outpatient Prospective Payment System (OPPS) providers.

EFFECTIVE DATE: January 1, 2016 - for claims with a date of service on or after January 1, 2016.

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

IMPLEMENTATION DATE: April 3, 2017

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	N/A

III. FUNDING:

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:

One Time Notification

Attachment - One-Time Notification

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SUBJECT: Phase 3 - Updating the Fiscal Intermediary Shared System (FISS) to Make Payment for Drugs and Biologicals Services for Outpatient Prospective Payment System (OPPS) Providers

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IMPLEMENTATION DATE: April 3, 2017

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) pays for all outpatient drugs using the Average Sales Price (ASP) methodology.

B. Policy: Starting on October 1, 2016, drug Healthcare Common Procedure Coding System (HCPCS) on OPPS claims will no longer be priced by the OPPS Pricer. The fee schedule amount from the Average Sales Price (ASP) drug file or any future drug fee schedule amount will be used by FISS to price covered outpatient drugs, and drugs and biologicals with pass-through status under the OPPS. Certain outpatient drugs with a pass-through status do not have coinsurance applied.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility									
		A/B MAC		D M E M A C	Shared- System Maintainers				Other		
		A	B		F I C S	M C S	V M S	C W F			
9742.1	The IOCE shall assign Payment Adjustment Flag (PAF) 10 to certain pass-through drugs when PAF's of "18-20" are not applied for ASP drug HCPCS that are priced by the Shared System Maintainer (SSM). PAF's of "18-20" are currently applied when pairings are made with certain procedures. When the pairing is not made, the PAF 10 is to be applied. The IOCE already identifies drugs that will be priced by the SSM with a status indicator of 'G' and 'K' utilizing payment adjustment flag '2'.										IOCE
9742.2	Medicare SSM shall ensure that coinsurance amounts are not applied to the drugs lines that are Pass-Through drugs with the potential of an offset amount as identified by PAF of "10", in addition to the already programed PAF's of "18-20" for claims with dates of service on or after January 1, 2016. Deductible still applies.					X					IOCE
9742.3	Medicare SSM shall develop and edit to suspend claims with a reason code if the ASP HCPCS does not					X					

Number	Requirement	Responsibility									
		A/B MAC		D M E M A C	Shared- System Maintainers				Other		
		A	B		H H H	F I S S	M C S	V M S		C W F	
	have a rate on the HPCPS file. The reason code would be similar to reason code 36463.										

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	C E D I					
		A	B	H H H							
	None										

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Fred Rooke, fred.rooke@cms.hhs.gov , Yvonne Young, YVONNE.YOUNG@CMS.HHS.GOV

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0