

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 738

Department of Health &  
Human Services (DHHS)

Center for Medicare &  
Medicaid Services (CMS)

Date: NOVEMBER 1, 2005

Change Request 4053

**SUBJECT: Calendar Year 2005 Payment for Medicare Part B  
Radiopharmaceuticals Not Paid on a Cost or Prospective Payment Basis**

**I. SUMMARY OF CHANGES:** This One-Time Notification informs contractors that for dates of service on or after January 1, 2005, radiopharmaceutical payment allowance limits are not subject to ASP. Contractors will determine radiopharmaceutical payment allowance limits based on the methodology in place as of November 2003. Transmittal 528 (CR 3783), dated April 22, 2005, states that contractors will determine payment limits for radiopharmaceuticals based on invoice pricing. This notice supersedes Transmittal 528.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE : January 1, 2005**

**IMPLEMENTATION DATE : December 5, 2005**

*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 |
|-------|--|
|-------|--|

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

**IV. ATTACHMENTS:**

One-Time Notification

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

# Attachment – One-Time Notification

|             |                  |                        |                     |
|-------------|------------------|------------------------|---------------------|
| Pub. 100-04 | Transmittal: 738 | Date: November 1, 2005 | Change Request 4053 |
|-------------|------------------|------------------------|---------------------|

**SUBJECT: Calendar Year 2005 Payment for Medicare Part B Radiopharmaceuticals Not Paid on a Cost or Prospective Payment Basis**

## I. GENERAL INFORMATION

**A. Background:** Section 303(c) of the Medicare Modernization Act of 2003 (MMA) revises the payment methodology for Part B covered drugs that are not paid on a cost or prospective payment basis. Per the MMA, beginning January 1, 2005, drugs and biologicals not paid on a cost or prospective payment basis will be paid based on the ASP methodology. However, for radiopharmaceuticals, section 303(h) of the MMA provides for continuation of the payment methodology under Part B prior to the MMA.

Transmittal 528 (CR 3783), dated April 22, 2005, states that contractors will determine payment limits for radiopharmaceuticals based on invoice pricing. This notice supersedes Transmittal 528.

**B. Policy:** For dates of service on or after January 1, 2005, the payment allowance limits for radiopharmaceuticals are not subject to ASP. Contractors will determine payment limits for radiopharmaceuticals based on the methodology in place as of November 2003.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*  
*"Should" denotes an optional requirement*

| Requirement Number | Requirements   | Responsibility ("X" indicates the columns that apply) |             |                                 |                       |                           |             |             |             |       |
|--------------------|--|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
|                    |  | F<br>I  | R<br>H<br>I | C<br>a<br>r<br>r<br>i<br>e<br>r | D<br>M<br>E<br>R<br>C | Shared System Maintainers |             |             |             | Other |
|                    |  |   |             |                                 |                       | F<br>I<br>S<br>S          | M<br>C<br>S | V<br>M<br>S | C<br>W<br>F |       |
| 4053.1             | Contractors will determine payment limits for radiopharmaceuticals based on the methodology in place as of November 2003.  | X   | X           | X                               |                       |                           |             |             |             |       |
| 4053.2             | Contractors shall not search and adjust radiopharmaceutical claims that have been processed prior to the implementation date of this notice unless brought to their attention. | X   | X           | X                               |                       |                           |             |             |             |       |

## III. PROVIDER EDUCATION

| Requirement Number | Requirements   | Responsibility (“X” indicates the columns that apply) |             |                                 |                       |                           |             |  |  |
|--------------------|--|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|--|--|
|                    |  | F<br>I  | R<br>H<br>I | C<br>a<br>r<br>r<br>i<br>e<br>r | D<br>M<br>E<br>R<br>C | Shared System Maintainers |             |  |  |
| F<br>I<br>S<br>S   | M<br>C<br>S  |   |             |                                 |                       | V<br>M<br>S               | C<br>W<br>F |  |  |
| 4053.3             | A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/medlearn/matters">www.cms.hhs.gov/medlearn/matters</a> shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly. | X   | X           | X                               |                       |                           |             |  |  |

**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, 2005</p> <p><b>Implementation Date:</b> December 5, 2005</p> <p><b>Pre-Implementation Contact(s):</b> Jennifer Fan, 410-786-1100 or Catherine Jansto, 410-786-7762</p> <p><b>Post-Implementation Contact(s):</b></p> | <p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</b></p> |
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