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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 2797 | Date: October 18, 2013 |
| | Change Request 8466 |

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 Business Requirement 8466.3. This process should continue until further notice. The attached Recurring Update Notification applies to chapter 4, section 50.

EFFECTIVE DATE: January 1, 2014

IMPLEMENTATION DATE: January 6, 2014

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

| R/N/D | CHAPTER / SECTION / SUBSECTION / TITLE |
|--------------|---|
| N/A | |

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

Not Applicable.

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 obliged 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

| | | | |
|-------------|-------------------|------------------------|----------------------|
| Pub. 100-04 | Transmittal: 2797 | Date: October 18, 2013 | Change Request: 8466 |
|-------------|-------------------|------------------------|----------------------|

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

EFFECTIVE DATE: January 1, 2014
IMPLEMENTATION DATE: January 6, 2014

I. GENERAL INFORMATION

A. Background: The Centers for Medicare and Medicaid Services (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 Medicare Modernization Act (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, 2014, will not be available until mid-December 2013. The ASP rates for drugs furnished on or after April 1, 2014, will not be available until mid-March 2014. The ASP rates for drugs furnished on or after July 1, 2014, will not be available until mid-June 2014 and the ASP rates for drugs furnished on or after October 1, 2014, will not be available until mid-September 2014 respectively.

The OPSS 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 OPSS Pricer that include one or more drug HCPCS codes from the file, found at the address specified in Business Requirement 8466.3, are to be held by the A/B MAC until a revised OPSS Pricer is installed in their production region. Refer to the OPSS Pricer schedule in the Attachment A for the OPSS Pricer installation deadlines.

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 Business Requirement 8466.3. This process should continue until further notice.

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 | F I | C A R R I E R | R H H I | Shared-System Maintainers | | | | Other |
| | | A | B | H H H | | | | | F I S S | M C S | V M S | C W F | |
| 8466.1 | FISS shall test the revised OPSS Pricer each quarter on the dates specified in the OPSS Pricer schedule. | | | | | | | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | | | | |
|--------|--|----------------|---|-------|-----|----|-----|------|---------------------------|-----|-----|-----|-------|
| | | A/B MAC | | | DME | FI | CAR | RHHI | Shared-System Maintainers | | | | Other |
| | | A | B | H H H | | | | | MAC | FIS | MCS | VMS | |
| | claims to payment after the revised OPSS Pricer software containing the updated ASP drug pricing has become effective in production. | | | | | | | | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | | | | |
|--------|-------------|----------------|---|-------|-----|----|-----|------|-------|
| | | A/B MAC | | | DME | FI | CAR | RHHI | Other |
| | | 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: |
|--------------------------|--|
| | None |

Section B: All other recommendations and supporting information: CR 4142 and CR 4371

V. CONTACTS

Pre-Implementation Contact(s): Marina Kushnirova, marina.kushnirova@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

Not Applicable.

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 do 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.

Attachment

Attachment A

2014 OPSS Pricer Schedule

| Update | Drug HCPCS codes available to FISS, FIs and A/B MACs | OPSS Pricer Updated/Sent to FISS | FISS Release Revised OPSS Pricer to Data Centers | Latest Test Installation Date | Latest Production Installation Date | FIs and A/B MACs Begin to Release Claims |
|-----------------|---|---|---|--------------------------------------|--|---|
| January 1, 2014 | 11/18/2013 | 12/13/2013 | 12/19/2013 | 12/23/2013 | 01/06/2014 | 01/07/2014 |
| April 1, 2014 | 02/17/2014 | 03/14/2014 | 03/20/2014 | 03/24/2014 | 04/07/2014 | 04/08/2014 |
| July 1, 2014 | 05/05/2014 | 06/13/2014 | 06/19/2014 | 06/23/2014 | 07/07/2014 | 07/08/2014 |
| October 1, 2014 | 08/04/2014 | 09/12/2014 | 09/18/2014 | 09/22/2014 | 10/06/2014 | 10/07/2014 |