
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 377

Date: NOVEMBER 26, 2004

CHANGE REQUEST 3540

SUBJECT: Hospital Outpatient Prospective Payment System (OPPS): Misclassified Drugs and Biologicals, Ganciclovir Long Act Implant, Bcg Live Intravesical Vac, and Gallium ga 67; Adjustments Due to Misclassification

I. SUMMARY OF CHANGES: This One-Time Notification provides background information on the misclassification of Ganciclovir Long Act Implant (Ganciclovir), Bcg Live Intravesical Vac (Bcg), and Gallium ga 67 (Gallium), and describes the process by which the Centers for Medicare & Medicaid Services (CMS) intends to correct erroneous hospital payments that were made due to the misclassification of these drugs.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: January 1, 2004
IMPLEMENTATION DATE: December 28, 2004

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)
(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

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

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

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

Attachment – One-Time Notification

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SUBJECT: Hospital Outpatient Prospective Payment System (OPPS): Misclassified Drugs and Biologicals, Ganciclovir Long Act Implant, Bcg Live Intravesical Vac, and Gallium ga 67; Adjustments Due to Misclassification

I. GENERAL INFORMATION

A. Background: The intent of this One-Time Notification is to provide background information on the misclassification of Ganciclovir Long Act Implant (Ganciclovir), Bcg Live Intravesical Vac (Bcg), and Gallium ga 67 (Gallium), and to describe the process by which the Centers for Medicare & Medicaid Services (CMS) intends to correct erroneous hospital payments that were made due to the misclassification of these drugs.

In the April 2004 OPPS update (Change Request 3144), CMS misclassified Ganciclovir Long Act Implant, Bcg Live Intravesical Vac, and Gallium ga 67 (Gallium) as multiple-source products and, as a result, implemented codes, effective January 1, 2004, for both a generic and a brand name form of each drug, as follows:

Generic Codes	Brand Name Codes
J7310 Ganciclovir long act implant	C9412 Ganciclovir implant, brand
J9031 Bcg live intravesical vac	C9416 Bcg live intravesical, brand
Q3002 Gallium ga 67	C9434 Gallium ga 67, brand

CMS corrected the error in the October 2004 OPPS update by deleting from the OPPS Outpatient Code Editor (OCE) the brand name codes for Bcg and Gallium, C9416 and C9434, effective January 1, 2004, and correcting the payment rates for all three drugs in the OPPS PRICER (see Table 1, below).

NOTE: CMS inadvertently neglected to delete the brand name code for Ganciclovir, C9412, in the October 2004 OPPS update, but will delete C9412, effective January 1, 2004, in the January 1, 2005 OPPS update.

In Table B4 of the October 2004 OPPS update change request, CR 3420, CMS issued the correct HCPCS code assignments and payment rates for Ganciclovir, Bcg, and Gallium effective January 1, 2004 through December 31, 2004, as follows:

Reclassified Drugs and Biologicals

HCPCS	SI	APC	Long Descriptor	Payment Rate	Minimum Unadjusted Copayment
J7310	K	0913	Ganciclovir, 4.5 mg, Long-Acting Implant	\$4,400.00	\$880.00
J9031	K	0809	BCG (Intravesical) per Instillation	\$148.33	\$29.67
Q3002	K	1619	Supply of Radiopharmaceutical diagnostic Imaging Agent, Gallium GA 67, per mCi	\$28.73	\$5.75

B. Policy: After implementation of the October 2004 OPPS update (CR 3420), hospitals that wish to do so may submit adjustment requests for any claims containing HCPCS codes J7310, C9412, J9031, C9416, Q3002, or C9434, with dates of service on or after January 1, 2004 that were processed and paid between January 1, 2004 and implementation of the October update (October 4, 2004).

NOTE: Because the brand name codes for Bcg and Gallium, C9416 and C9434, were deleted in the October 2004 OPPS update, adjustment requests that are submitted after implementation of the October 2004 OPPS update that contain C9416 and C9434, will be returned to the provider. Additionally, because the brand name code for Ganciclovir, C9412, will be deleted effective January 1, 2004, in the January 2005 OPPS update, adjustment requests submitted after implementation of the January 2005 OPPS update that contain C9412 will also be returned to the provider.

Consequently, hospitals will need to change the HCPCS on adjustment requests submitted after installation of the October 2004 OPPS update from C9416 to J9031 for Bcg and from C9434 to Q3002 for Gallium. Additionally, hospitals will need to change the HCPCS on adjustment requests submitted after installation of the January 2005 OPPS update from C9412 to J7310 for Ganciclovir.

C. Provider Education: A Medlearn Matters provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters 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 one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. 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.

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	
3540.1	FIs shall inform hospitals that hospitals may submit adjustment requests for claims containing HCPCS codes J7310, C9412, J9031, C9416, Q3002, or C9434, with dates of service on or after January 1, 2004 that were processed and paid between January 1, 2004 and implementation of the October update (October 4, 2004).	X								
3540.1.1	FIs shall inform hospitals that hospitals should change the HCPCS on adjustment requests containing HCPCS C9416 and/or C9434, submitted after installation of the October 2004 OPPS update, from C9416 to J9031 for Bcg and from C9434 to Q3002 for Gallium.	X								
3540.1.2	FIs shall inform hospitals that hospitals should change the HCPCS on adjustment requests containing HCPCS C9412, submitted after installation of the January 2005 OPPS update, from C9412 to J7310 for Ganciclovir.	X								
3540.2	FIs shall adjust claims brought to their attention but should not search for claims to adjust.	X								

III. 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

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2004</p> <p>Implementation Date: December 28, 2004</p> <p>Pre-Implementation Contact(s): Melissa Dehn mdehn@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional Office</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
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