Change to the Payment of Allogeneic Stem Cell Acquisition Services

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Related CR Release Date: July 10, 2020
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Effective Date: For cost reporting periods beginning on or after October 1, 2020
Implementation Date: January 4, 2021

PROVIDER TYPES AFFECTED

This MLN Matters Article is for hospitals who bill Medicare Administrative Contractors (MACs) for inpatient hospital Allogeneic Stem Cell Acquisition services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

This Change Request (CR) provides instructions to pay inpatient hospital Allogeneic Stem Cell Acquisition services on a reasonable cost basis. Please make sure your billing staffs are aware of these changes.

BACKGROUND

Allogeneic hematopoietic stem cell transplants involve collecting or acquiring stem cells from a healthy donor’s bone marrow, peripheral blood, or cord blood for intravenous infusion to the recipient.

Medicare reimburses allogeneic hematopoietic stem cell transplants that are provided to Medicare beneficiaries for the treatment of certain diagnoses, if such treatment is considered reasonable and necessary.

Currently:

- Inpatient hospital acquisition costs associated with allogeneic hematopoietic stem cell transplants are included in the operating costs of inpatient hospital services for subsection (d) hospitals (that is, hospitals paid under the Inpatient Prospective Payment System (IPPS)).
- IPPS payments for acquisition services associated with allogeneic hematopoietic stem cell transplants are currently included in the Medicare Severity Diagnosis Related
Groups (MS-DRGs) payments for the allogeneic hematopoietic stem cell transplants when the transplants occurred in the inpatient setting.

CR 11729 updates the Medicare Claims Processing Manual, Chapter 3 (Inpatient Hospital Billing, Section 90.3.1 (Allogeneic for Stem Cell Transplantation) and Addendum A (Provider Specific File) to reflect changes in how Medicare will pay for Allogeneic Stem Cell Acquisition services, effective for cost reporting periods beginning on or after October 1, 2020; as required by Section 108 of the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94). You can find this updated Manual as an attachment to CR 11729.

Specifically, this Section of the Act provides that:

1. Costs related to hematopoietic stem cell acquisition for the purpose of an allogeneic hematopoietic stem cell transplant are not included in the definition of “operating costs of inpatient hospital services,” found at section 1886(a)(4) of the Act, and

2. In the case of a subsection (d) hospital that furnishes an allogeneic hematopoietic stem cell transplant, payment to the hospital for hematopoietic stem cell acquisition will be made on a reasonable cost basis. You should note that this is the same way hospitals with approved transplant centers are reimbursed for their acquisition costs for solid organs under 42 CFR 412.113(d).

ADDITIONAL INFORMATION

The official instruction, CR 11729, issued to your MAC regarding this change is available at https://www.cms.gov/files/document/r10218cp.pdf.

If you have questions, your MACs may have more information. Find their website at http://go.cms.gov/MAC-website-list.

DOCUMENT HISTORY

<table>
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<tr>
<th>Date of Change</th>
<th>Description</th>
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<tr>
<td>July 13, 2020</td>
<td>Initial article released.</td>
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