



DATE: October 31, 2002

FROM: Director
Provider Billing Group
Center for Medicare Management

Director
Hospital and Ambulatory Policy Group
Center for Medicare Management

Deputy Director
Center for Medicare Management

TO: All Fiscal Intermediaries

SUBJECT: Change in Requirements for Medicare Payment for Low Osmolar Contrast Material under the Outpatient Prospective Payment System

Under the hospital outpatient prospective payment system (OPPS), separate payment is not made for ionic and non-ionic contrast materials. Medicare payment for ionic and non-ionic contrast media, including low osmolar contrast material (LOCM), is packaged into the ambulatory payment classification payment for the diagnostic procedure. Under the OPPS, there is no longer a payment difference between LOCM and other contrast materials. Therefore, we are removing the requirements imposed under §§443.C.3f and 443.C.3g of the Medicare Hospital Manual (MHM) and §§3631.C.3f and 3631.C.3g of the Part A Medicare Intermediary Manual (MIM) for LOCM furnished on or after January 1, 2003. For hospitals that are subject to the OPPS, this joint signature memorandum (JSM) supersedes instructions in §§443.C.3f and 443.C.3g of the MHM and §§3631.C.3f and 3631.C.3g of the Part A MIM that differentiate payment between high osmolar contrast material and LOCM and restrict payment for LOCM to only those patients having specific diagnoses.

Billing for LOCM

For LOCM furnished on or after January 1, 2003, hospitals that are subject to the OPPS should either include the charge for LOCM in the charge for the diagnostic procedure or, if billing for LOCM as a separate charge, bill using revenue code 255, *Drugs Incident to Radiology*, or revenue code 254, *Drugs Incident to Other Diagnostic Services*, as appropriate.

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Instruct your OPPS hospitals that until they receive further notice, they must not use LOCM Healthcare Common Procedure Coding System (HCPCS) codes A4644, A4645, or A4646 when billing for LOCM furnished on or after January 1, 2003. Return claims submitted with the LOCM HCPCS codes A4644, A4645, or A4646 for services furnished on or after January 1, 2003, to the provider.

Non-OPPS hospitals must follow the billing instructions in §§443.C.3f and 443.C.3g of the MHM and §§3631.C.3f and 3631.C.3g of the Part A MIM. Those instructions continue to be applicable to non-OPPS hospitals.

Address questions regarding this JSM to Faith Ashby (FAshby@cms.hhs.gov) or to Janet Wellham (JWellham@cms.hhs.gov).

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