Medicare Learning Network
MLN Matters®
CMS
Information for Medicare Fee-For-Service Health Care Professionals

MLN Matters Number: MM3324
Related Change Request (CR) #: 3324
Related CR Release Date: June 4, 2004
Effective Date: July 1, 2004
Related CR Transmittal #: 195
Implementation Date: July 6, 2004

MMA - July 2004 Update of the Hospital Outpatient Prospective Payment System (OPPS)

Note: This article was updated on April 5, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Hospitals and other providers paid under the OPPS

Provider Action Needed

This instruction outlines changes in the Outpatient Prospective Payment System (OPPS) for the July 1, 2004 quarterly update. Unless otherwise noted, all changes in this instruction are effective for services furnished on or after July 1, 2004, unless otherwise noted below.

Background

This instruction describes changes announced by the Centers for Medicare & Medicaid Services (CMS) to the Outpatient Prospective Payment System (OPPS) for the July 2004 update. Also, the July 2004 Outpatient Code Editor (OCE) and OPPS PRICER will reflect the Healthcare Common Procedure Coding System (HCPCS) codes and Ambulatory Payment Classification (APC) changes, additions, and other revisions identified in this instruction.

Changes in payment for certain drugs, biologicals, and radiopharmaceuticals mandated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) are being implemented in the July 1, 2004 quarterly OPPS update, under Change Request (CR) 3322 which is being issued separately. CR3322 addresses OPPS additions, changes, and other revisions for drugs, biologicals and radiopharmaceuticals.

1. Service Added to New Technology APC

The following service is assigned for payment in a new technology APC under the OPPS OCE, effective July 1, 2004.

HCPCS	Effective Date	SI	APC	Short Descriptor	Long Descriptor	Payment Rate	Minimum Unadjusted Copayment
C9716*	07/01/04	S	1519	Radiofrequenc y Energy to Anus	Creation of Thermal Anal Lesions by Radiofrequency Energy	$1,750.00	$350.00

*This procedure is used for the treatment of fecal incontinence and involves the application of radiofrequency energy to the internal sphincter complex of the anus.

2. Drug-Eluting Stents

In the July 2003 Update of the OPPS, Transmittal A-03-051, Change Request 2771, issued June 13, 2003, CMS provided billing instructions for drug-eluting stents. The Food and Drug Administration (FDA) approved drug-eluting stents effective April 24, 2003. This notification provides updated billing instructions for the placement of drug-eluting stents, especially with the January 1, 2004 reinstitution of device C-codes for cost reporting purposes.

Effective for services furnished on or after July 1, 2003:

In Transmittal A-03-051, CR 2771, CMS implemented payment under APC 0656, Transcatheter Placement of Drug-Eluting Coronary Stents, for two HCPCS codes that describe drug-eluting stents and their placement. CMS did not establish new HCPCS codes for the drug eluting coronary stents; however, CMS indicated that hospitals could include the charge for the drug-eluting stent in the charge for G0290 and G0291.

CMS also indicated that, alternatively, hospitals could bill separately for the stent using an appropriate Revenue Code, making certain that the charge for the G0290 and G0291 did not include the charge for the stent. Payment for placement of the stents, and the stents themselves, are made under APC 0656.

As of January 1, 2004, CMS reinstituted C-codes for devices for cost reporting and cost tracking purposes. Therefore, hospitals have a third option to report charges for drug eluting stents. That is, hospitals may report HCPCS code C1874, “Stent, coated/covered, with delivery system” with an appropriate Revenue Code to report their charge for drug eluting coronary stents. When using HCPCS code C1874 to bill separately for drug eluting stents, hospitals should make certain that the charge for G0290 and G0291 for placement of the stents does not include the stent charge. Payment for C1874 is packaged into the payment for APC 656, but reporting a separate charge for the stent(s) provides important data that affects future updates of the OPPS.

3. Payment Change for CPT code 96567, "Photodynamic tx, skin"

Effective July 1, 2004, CPT code 96567, "Photodynamic tx, skin" is assigned to APC 1504.

4. Reporting Line Item Date of Service for Revenue Code without a HCPCS

In order to accurately determine hospital costs for purposes of updating payment rates for drugs and all other services paid under the hospital OPPS, and in order to package services appropriately, CMS relies on the service line date. Therefore, it is extremely important that the date and charge reported with a revenue code on a line without a HCPCS code represent a single date of service rather than a range of dates.

5. Reminder Regarding Monthly Reporting of Repetitive Services

Hospitals shall not bill the following Revenue Codes monthly, as these services are not repetitive Part B services:

Type of Service	Revenue Code(s)
Pharmacy	0250-0259
IV Therapy	0260-0269
Medical/Surgical Supplies	0270-0279
Medical/Surgical Supplies	0620-0624
Drugs Requiring Specific ID	0631-0637

6. Coverage Determinations

The fact that a drug, device, procedure, or service has a HCPCS code and a payment rate under the OPPS does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Medicare fiscal intermediaries shall determine whether a drug, device, procedure, or service meets all program requirements for coverage, for example, that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

7. Summary of July 2004 Modifications

The official version of this instruction includes Attachment A which is the OPPS OCE Final Summary of Data Changes Effective July 1, 2004. Appendix A of that instruction summarizes all of the modifications made to APCs, HCPCS and CPT procedure codes, APC assignments, status indicators, modifiers, revenue codes, and edits, to update the OPPS for the July 1, 2004 quarterly release.

To see Appendix A of the actual instruction for all these details, go to www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R195CP on the CMS website.

Note that unless otherwise stated, all changes in this instruction are effective for services furnished on or after July 1, 2004.

Related Instructions

The official version of this instruction was issued to your carrier, and can be found by going to www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R195CP on the CMS website.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.