CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3080	**Date: September 26, 2014**
	Change Request 8873

Transmittal 3012, dated August 1, 2014, is being rescinded and replaced by Transmittal 3080, dated September 26, 2014, to correct the long descriptor for HCPCS code C9135 in table 2 in the attachment A-Tables for the Policy Section. The long descriptor for C9135 is changing from "Factor ix (antihemophilic factor, recombinant), Alprolix, per 10 i.u" to "Factor ix (antihemophilic factor, recombinant), Alprolix, per i.u". We are also correcting table 7 in the attachment A. APC number for J9171 needs to change from 1086 to 0823, since APC 1086 was a typo. All other information remains the same.

SUBJECT: October 2014 Update of the Hospital Outpatient Prospective Payment System (OPPS)

I. SUMMARY OF CHANGES: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the October 2014 OPPS update. The October 2014 Integrated Outpatient Code Editor (I/OCE) and OPPS Pricer will reflect the Healthcare Common Procedure Coding System (HCPCS), Ambulatory Payment Classification (APC), HCPCS Modifier, and Revenue Code additions, changes, and deletions identified in this Change Request (CR). This Recurring Update Notification applies to Chapter 4, section 50.8.

The October 2014 revisions to I/OCE data files, instructions, and specifications are provided in the forthcoming October 2014 I/OCE CR.

EFFECTIVE DATE: October 1, 2014
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: October 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-*Only One Per Row*.

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

III. FUNDING:
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

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3080	Date: September 26, 2014	Change Request: 8873

Transmittal 3012, dated August 1, 2014, is being rescinded and replaced by Transmittal 3080, dated September 26, 2014, to correct the long descriptor for HCPCS code C9135 in table 2 in the attachment A-Tables for the Policy Section. The long descriptor for C9135 is changing from "Factor ix (antihemophilic factor, recombinant), Alprolix, per 10 i.u" to "Factor ix (antihemophilic factor, recombinant), Alprolix, per i.u". We are also correcting table 7 in the attachment A. APC number for J9171 needs to change from 1086 to 0823, since APC 1086 was a typo. All other information remains the same.

SUBJECT: October 2014 Update of the Hospital Outpatient Prospective Payment System (OPPS)

EFFECTIVE DATE: October 1, 2014
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: October 6, 2014

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the October 2014 OPPS update. The October 2014 Integrated Outpatient Code Editor (I/OCE) and OPPS Pricer will reflect the Healthcare Common Procedure Coding System (HCPCS), Ambulatory Payment Classification (APC), HCPCS Modifier, and Revenue Code additions, changes, and deletions identified in this Change Request (CR).

The October 2014 revisions to I/OCE data files, instructions, and specifications are provided in the forthcoming October 2014 I/OCE CR.

B. Policy: 1. Changes to Device Edits for October 2014

The most current list of device edits can be found under "Device and Procedure Edits" at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/. Failure to pass these edits will result in the claim being returned to the provider.

2. New Services

New service listed in table 1, attachment A, is assigned for payment under the OPPS, effective October 1, 2014.

3. Billing for Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective October 1, 2014

In the CY 2014 OPPS/ASC final rule with comment period, we stated that payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. In cases where adjustments to payment rates are necessary based on the most recent ASP submissions, we will incorporate changes to the payment rates in the October 2014 release of the OPPS Pricer. The updated payment rates, effective October 1, 2014 will be included in the October 2014 update of the OPPS Addendum A and Addendum B, which will be posted on the CMS Web site.

b. Drugs and Biologicals with OPPS Pass-Through Status Effective October 1, 2014

Four drugs and biologicals have been granted OPPS pass-through status effective October 1, 2014. These items, along with their descriptors and APC assignments, are identified in table 2, attachment A.

c. New HCPCS Codes Effective October 1, 2014 for Certain Drugs and Biologicals

Two new HCPCS codes have been created for reporting certain drugs and biologicals (other than new pass-through drugs and biological listed in table 2, attachment A) in the hospital outpatient setting for October 1, 2014. These codes are listed in table 3, attachment A, and are effective for services furnished on or after October 1, 2014.

d. Revised Status Indicator for HCPCS Codes J9160 and J9300

Effective October 1, 2014, the status indicator for HCPCS codes J9160 (Injection, denileukin diftitox, 300 micrograms) and J9300 (Injection, gemtuzumab ozogamicin, 5 mg) will change from SI=K (Paid under OPPS; separate APC payment) to SI=E (Not paid by Medicare when submitted on outpatient claims (any outpatient bill type)).

e. Reassignment of One Skin Substitute Product that was New for CY 2014 from the Low Cost Group to the High Cost Group

In the CY 2014 OPPS/ASC final rule, we finalized a policy to package payment for skin substitute products into the associated skin substitute application procedure. For packaging purposes, we created two groups of application procedures: application procedures that use high cost skin substitute products (billed using CPT codes 15271-15278) and application procedures that use low cost skin substitute products (billed using HCPCS codes C5271-C5278). Assignment of skin substitute products to the high cost or low cost groups depended upon a comparison of the July 2013 payment rate for the skin substitute product to $32, which is the weighted average payment per unit for all skin substitute products using the skin substitute utilization from the CY 2012 claims data and the July 2013 payment rate for each product. Skin substitute products with a July 2013 payment rate that was above $32 per square centimeter are paid through the high cost group and those with a July 2013 payment rate that was at or below $32 per square centimeter are paid through the low cost group for CY 2014.

We also finalized a policy that for any new skin substitute products approved for payment during CY 2014, we will use the $32 per square centimeter threshold to determine mapping to the high or low cost skin substitute group. Any new skin substitute products without pricing information were assigned to the low cost category until pricing information becomes available. There is now pricing information available for three of the new skin substitute products. Table 5, attachment A shows the new products and the low/high cost status based on the comparison of the price per square centimeter for the products to the $32 square centimeter threshold for CY 2014.

f. Updated Payment Rate for HCPCS Code J9171, Effective January 1, 2014 through March 31, 2014

The payment rate for HCPCS code J9171 was incorrect in the January 2014 OPPS Pricer. The corrected payment rate is listed in table 6, attachment A, and has been installed in the October 2014 OPPS Pricer, effective for services furnished on January 1, 2014 through March 31, 2014.

g. Updated Payment Rates for Certain HCPCS Codes Effective April 1, 2014 through June 30, 2014

The payment rate for three HCPCS codes were incorrect in the April 2014 OPPS Pricer. The corrected payment rates are listed in table 7, attachment A, and have been installed in the October 2014 OPPS Pricer, effective for services furnished on April 1, 2014 through June 30, 2014.

h. Updated Payment Rates for Certain HCPCS Codes Effective July 1, 2014 through September 30, 2014

The payment rate for two HCPCS codes were incorrect in the July 2014 OPPS Pricer. The corrected payment rates are listed in table 8, attachment A, and have been installed in the October 2014 OPPS Pricer, effective for services furnished on July 1, 2014 through September 30, 2014.

4. Incorrect National Unadjusted Copayment for APC 0066 (Level I Stereotactic Radiosurgery) in the CY 2014 OPPS Final Rule

We incorrectly calculated the National Unadjusted Copayment for APC 0066 (Level I Stereotactic Radiosurgery) in the CY 2014 OPPS final rule. The National Unadjusted Copayment for APC 0066 was set to an explicit value, but it should have been set to the Minimum Unadjusted Copayment equivalent to a coinsurance percentage of 20 percent. We corrected this error in the July 2014 Pricer, and we are making the change for the copayment associated with APC 0066 retroactive to January 1, 2014. The correct copayment is included in the July 2014 update of the OPPS Addendum A and Addendum B on the CMS Web site at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html.

Providers should refer to the recent edition of the MLN Connects Provider eNews which instructs contractors to reprocess claims, and providers to reimburse beneficiaries for any overpayment of beneficiary copayment created by correcting the National Unadjusted Copayment associated with APC 0066.

5. Coverage Determinations

The fact that a drug, device, procedure or service is assigned 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 Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
8873.1	Medicare contractors shall install the October 2014 OPPS Pricer.	X		X		X				BCRC
8873.2	Medicare contactors shall manually add the following HCPCS codes to their systems: • HCPCS codes listed in tables 1, 2, and 3, effective October 1, 2014; and • CPT codes 0001M – 0004M listed in the upcoming October I/OCE CR, effective January 1, 2013; and • CPT codes 0006M – 0008M listed in the	X		X						BCRC

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	upcoming October I/OCE CR, effective July 1, 2014; and • HCPCS codes G0466 – G0470, and K0901, K0902, listed in the upcoming October I/OCE CR, effective October 1, 2014 **Note:** These HCPCS codes will be included with the October 2014 I/OCE update. Status and payment indicators for these HCPCS codes will be listed in the October 2014 update of the OPPS Addendum A and Addendum B on the CMS Web site at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html									
8873.3	Medicare contractors shall adjust, as appropriate, claims brought to their attention that: 1. Have dates of service that fall on or after January 1, 2014, but prior to April 1, 2014; and 2. Contain HCPCS code J9171; and 3. Were originally processed prior to the installation of the October 2014 OPPS Pricer.	X		X						BCRC
8873.4	Medicare contractors shall adjust, as appropriate, claims brought to their attention that: 1. Have dates of service that fall on or after April 1, 2014, but prior to July 1, 2014; and 2. Contain HCPCS codes listed in table 7, attachment A; and 3. Were originally processed prior to the installation of the October 2014 OPPS Pricer.	X		X						BCRC
8873.5	Medicare contractors shall adjust, as appropriate, claims brought to their attention that: 1. Have dates of service that fall on or after July 1, 2014, but prior to October 1, 2014; and 2. Contain HCPCS codes listed in table 8, attachment A; and	X		X						BCRC

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	3. Were originally processed prior to the installation of the October 2014 OPPS Pricer.									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
8873.6	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites 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 shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X		

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:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

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

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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 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.

ATTACHMENTS: 1

Attachment A. − Tables for the Policy Section

Table 1 — New Service Effective October 1, 2014

HCPCS	Effective date	SI	APC	Short Descriptor	Long descriptor	Payment	Minimum Unadjusted Copayment
C9741	10/01/2014	T	0319	Impl pressure sensor w/angio	Right heart catheterization with implantation of wireless pressure sensor in the pulmonary artery, including any type of measurement, angiography, imaging supervision, interpretation, and report, includes provision of patient home electronics unit	$15,509.99	$3,102.00

Table 2 – Drugs and Biologicals with OPPS Pass-Through Status Effective October 1, 2014

HCPCS Code	Long Descriptor	APC	Status Indicator
C9023*	Injection, testosterone undecanoate, 1 mg	1487	G
C9025*	Injection, ramucirumab, 5 mg	1488	G
C9026*	Injection, vedolizumab, 1 mg	1489	G
C9135*	Factor ix (antihemophilic factor, recombinant), Alprolix, per i.u.	1486	G

Note: The HCPCS codes identified with an "*" indicate that these are new codes effective October 1, 2014.

Table 3 – New HCPCS Codes for Certain Drugs and Biologicals Effective October 1, 2014

HCPCS Code	Long Descriptor	APC	Status Indicator Effective 10/1/14
Q9972	Injection, Epoetin Beta, 1 microgram, (For ESRD On Dialysis)	N/A	E
Q9973	Injection, Epoetin Beta, 1 microgram, (Non-ESRD use)	N/A	E

Table 4 – Drugs and Biologicals with Revised Status Indicators

HCPCS Code	Long Descriptor	APC	Status Indicator	Effective Date
J9160	Injection, denileukin diftitox, 300 micrograms	N/A	E	10/1/2014
J9300	Injection, gemtuzumab ozogamicin, 5 mg	N/A	E	10/1/2014

Table 5 – Revised Low/High Cost Status for Certain Skin Substitute Codes

HCPCS Code	Long Descriptor	Status Indicator	Low/High Cost Status	Effective Date
Q4137	Amnioexcel or Biodexcel, Per Square Centimeter	N	High	07/01/2014
Q4138	BioDfence DryFlex, Per Square Centimeter	N	High	10/01/2014
Q4140	BioDfence, Per Square Centimeter	N	High	10/01/2014

Table 6 – Updated Payment Rate for HCPCS Code J9171, Effective January 1, 2014 through March 31, 2014

HCPCS Code	Status Indicator	APC	Short Descriptor	Corrected Payment Rate	Corrected Minimum Unadjusted Copayment
J9171	K	0823	Docetaxel injection	$4.63	$0.93

Table 7 – Updated Payment Rates for Certain HCPCS Codes Effective April 1, 2014 through June 30, 2014

HCPCS Code	Status Indicator	APC	Short Descriptor	Corrected Payment Rate	Corrected Minimum Unadjusted Copayment
J7335	K	9268	Capsaicin 8% patch	$25.49	$5.10
J8700	K	1086	Temozolomide	$6.94	$1.39
J9171	K	0823	Docetaxel injection	$4.35	$0.87

Table 8 – Updated Payment Rates for Certain HCPCS Codes Effective July 1, 2014 through September 30, 2014

HCPCS Code	Status Indicator	APC	Short Descriptor	Corrected Payment Rate	Corrected Minimum Unadjusted Copayment
J9047	G	9295	Injection, carfilzomib, 1 mg	$29.67	$5.93
J9315	K	9265	Romidepsin injection	$270.24	$54.05