
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 467

Date: FEBRUARY 4, 2005

CHANGE REQUEST 3666

SUBJECT: Modifications to Duplicate Editing for Dispensing/Supply Fee Codes for Oral Anti-Cancer, Oral Anti-Emetic, Immunosuppressive and Inhalation Drugs

I. SUMMARY OF CHANGES: This instruction modifies the duplicate editing logic in the ViPS Medicare System (VMS) so that multiple claims for dispensing fees in a single day suspend for manual review rather than automatically denying.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: 07/01/05
IMPLEMENTATION DATE: 07/05/05

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: No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 20xx 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: DMERC Only—Modifications and Clarifications to Dispensing/Supply Fee Instructions for Oral Anti-Cancer, Oral Anti-Emetic, Immunosuppressive and Inhalation Drugs

I. GENERAL INFORMATION

A. Background: On December 16, 2004, CMS published Change Request (CR) 3620, Transmittal 396, to implement dispensing fees for oral anti-cancer, oral anti-emetic, immunosuppressive, and inhalation drugs.

Under the Health Insurance Portability and Accountability Act (HIPAA), pharmacies are required to submit drug claims using the National Council for Prescription Drug Programs (NCPDP) format. The Medicare claims processing system, as it is currently programmed, having paid for one dispensing fee for a particular date of service, will deny any subsequent dispensing fees for the same date of service.

This instruction modifies the duplicate editing logic in the ViPS Medicare System (VMS) so that multiple pharmacy claims for dispensing fees in a single day suspend for manual review rather than automatically denying. It also clarifies certain instructions published in CR 3620.

B. Policy: Medicare does not pay for duplicate items or services. However, per CR 3620, Durable Medical Equipment Regional Carriers (DMERCs) shall pay a dispensing fee for each prescription for oral anti-cancer, oral anti-emetic, or immunosuppressive drugs under HCPCS code G0370. In addition, for inhalation drugs, DMERCs shall make payment for dispensing fees for inhalation drugs in 30 or 90 day supplies, but shall make payment for one dispensing fee per 30 or 90 days, regardless of the number of drugs or shipments dispensed during that time. Prior to the issuance of this CR, DMERCs paid dispensing fees for nebulizers under HCPCS code E0590. Although E0590 was discontinued January 1, 2005, the DMERCs could still receive valid claims for the code due to timely filing rules.

Beneficiary deductibles and co-payments apply to dispensing fees.

The pharmacy supply fee for the initial prescription of immunosuppressive drugs for the first month following a transplant (G0369) is payable once per beneficiary per transplant.

A pharmacy may not receive both a 30 day dispensing fee for inhalation drugs (G0371) and a 90 day dispensing fee for inhalation drugs (G0374) in the same month. A pharmacy that submits a claim for G0374 may not receive another dispensing fee (G0371 or G0374) until 90 days after the date of service on the claim for G0374.

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			
F I S S	M C S					V M S	C W F		
3666.1	VMS shall modify its edits for duplicate claims so that multiple claims for drug dispensing fees billed under codes G0370 or E0590 for the same date of service suspend for manual review, rather than auto-deny.							X	
3666.2	DMERC shall manually review suspended claims to determine whether multiple dispensing fees are appropriate for a single date of service (DOS). DMERCs shall only pay dispensing fees when also making payment for the associated oral anti-cancer, oral anti-emetic, and immunosuppressive drugs.				X				
3666.2.1	In the event the DMERC determines that multiple dispensing fees are appropriate for the same DOS, VMS shall provide the capability for the DMERCs to bypass the duplicate edit and pay the claim.							X	
3666.3	Beneficiary deductibles and co-payments apply to dispensing fees.				X				
3666.4	The pharmacy supply fee for the initial prescription of immunosuppressive drugs for the first month following a transplant (G0369) is payable once per beneficiary per transplant.				X			X	
3666.5	A pharmacy may not receive both a 30 day dispensing fee for inhalation drugs (G0371) and a 90 day dispensing fee for inhalation drugs (G0374) in the same month. A pharmacy that submits a claim for G0374 may not receive another dispensing fee (G0371 or G0374) until 90 days after the date of service on the claim for G0374.				X			X	

III. PROVIDER EDUCATION

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			
F I S S	M C S					V M S	C W F		
3666.6	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 1 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.				X				

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
All	See CR 3620 for additional instructions and information related to dispensing fees.

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

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: July 1, 2005</p> <p>Implementation Date: July 5, 2005</p> <p>Pre-Implementation Contact(s): Renée Hildt rhildt@cms.hhs.gov</p> <p>Post-Implementation Contact(s): appropriate regional office</p>	<p>Medicare Contractors shall implement these instructions within their current operating budgets.</p>
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