
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 195

Date: JUNE 4, 2004

CHANGE REQUEST 3324

I. SUMMARY OF CHANGES: This transmittal issues a Recurring Update Notification that describes changes to the Hospital Outpatient Prospective Payment System (OPPS) to be implemented in the July 2004 update. 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) additions, changes, and other revisions identified in this notification. Unless otherwise noted, all changes addressed in this notification are effective for services furnished on or after July 1, 2004. OPPS additions, changes, and other revisions for drugs, biologicals and radiopharmaceuticals are addressed in CR 3322, which is being issued separately, and which includes changes in payment for certain drugs and biologicals that are mandated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA).

NEW/REVISED MATERIAL - EFFECTIVE DATE: July 1, 2004

***IMPLEMENTATION DATE: July 6, 2004**

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:

(R = REVISED, N = NEW, D = DELETED)

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

*III. FUNDING:

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
	One-Time Notification
X	Recurring Update Notification

*Medicare contractors only

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 195	Date: June 4, 2004	Change Request 3324
-------------	------------------	--------------------	---------------------

SUBJECT: July 2004 Update of the Hospital Outpatient Prospective Payment System (OPPS)

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to the OPPS for the July 2004 update. 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) additions and changes, and other revisions, identified in this notification. Unless otherwise noted, all changes addressed in this notification are effective for services furnished on or after July 1, 2004. OPPS additions, changes, and other revisions for drugs, biologicals and radiopharmaceuticals are addressed in CR 3322, which is being issued separately.

B. Policy:

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	Radiofrequency 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 Hospital Outpatient Prospective Payment System (OPPS), Transmittal A-03-051, Change Request 2771, issued June 13, 2003, we 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 reinstatement 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, we implemented payment under APC 0656, Transcatheter Placement of Drug-Eluting Coronary Stents, for two HCPCS codes that describe drug-eluting stents and their placement. We did not establish new HCPCS codes for the drug eluting coronary stents, however, we indicated that hospitals could include the charge for the drug-eluting stent in the charge for G0290 and G0291. We 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, we reinstated 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.

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:

<u>Type of Service</u>	<u>Revenue Code(s)</u>
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 OPSS 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. 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

Attachment A is the OPSS OCE Summary of Data Changes, effective July 1, 2004. This document 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 OPSS for the July 1, 2004 quarterly release.

C. Provider Education: A provider education article related to this instruction will be available at <http://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.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3324.1	The shared system maintainer shall install the OPSS PRICER for July 2004.	SSM
3324.2	FIs 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.	FI

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

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

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: July 1, 2004 Implementation Date: July 6, 2004 Pre-Implementation Contact(s): Melissa Dehn mdehn@cms.hhs.gov Post-Implementation Contact(s): Regional Office	These instructions shall be implemented within your current operating budget.
--	--

Attachment

ATTACHMENT

Summary of Data Changes
Outpatient Code Editor/APC v5.2
Effective July 1, 2004

Table of Contents

CPT codes, descriptions, and material only are Copyright 2003 American Medical Association. All Rights Reserved. No fee schedules, basic units, relative values, or related listings are included in CPT. The AMA assumes no liability for the data contained herein. Applicable FARS/DFARS restrictions apply to government use.

DEFINITIONS	3
APC CHANGES	3
ADDED APCs.....	3
DELETED APCs.....	4
CHANGES TO APCs.....	4
HCPCS/CPT PROCEDURE CODE CHANGES	4
ADDED HCPCS/CPT PROCEDURE CODES.....	4
DELETED HCPCS/CPT PROCEDURE CODES.....	5
HCPCS- APC, STATUS INDICATOR OR EDIT CHANGES.....	5
HCPCS- DESCRIPTION CHANGES.....	7
REVENUE CODE CHANGES	7
CHANGES TO REVENUE CODES.....	7
MODIFIER CHANGES	7
DELETED MODIFIERS.....	7

DEFINITIONS

- A blank in a field indicates 'no change'
- The "old" column describes the attribute prior to the change being made in the current update, which is indicated in the "new" column. If the effective date of the change is the same as the effective date of the new update, 'old' describes the attribute up to the last day of the previous quarter. If the effective date is retroactive, then 'old' describes the attribute for the same date in the previous release of the software.
- "Unassigned", "Pre-defined" or "Placeholder" in APC or HCPCS descriptions indicates that the APC or HCPCS code is inactive. When the APC or HCPCS code is activated, it becomes valid for use in the OCE, and a new description appears in the "new description" column, with the appropriate effective date.
- Activation Date indicates the date of FDA approval for a drug and the date the code becomes valid for use in the OCE.

APC CHANGES

ADDED APCs

The following APCs were added to OCE/APC, **effective 01/01/04**

APC	APCDesc	StatusIndicator
9213	Injection, pemetrexed	K
9214	Injection, bevacizumab	K
9215	Injection, cetuximab	K
9216	Abarelix, inject suspension	K
9300	Injection, omalizumab	K
9401	Strontium-89 chloride, brand	K

The following APC was added to OCE/APC, **effective 04/01/04**

APC	APCDesc	StatusIndicator
738	Rasburicase	G

DELETED APCs

The following APC was deleted from OCE/APC, **effective 01/01/04**

APC	APCDesc	StatusIndicator
738	Rasburicase	G

APC SI CHANGES

The following APCs had SI changes, **effective 07/01/04**

APC	Old SI	New SI
9213	K	G
9214	K	G
9215	K	G
9216	K	G
9300	K	G

HCPCS/CPT PROCEDURE CODE CHANGES

ADDED HCPCS/CPT PROCEDURE CODES

The following new HCPCS codes were added to the OCE/APC, **effective 01/01/04**

HCPCS	CodeDesc	StatusIndicator	APC	Edit	Activation Date
C9213	Injection, pemetrexed	K	9213	55, 67	02/04/04
C9214	Injection, bevacizumab	K	9214	55, 67	02/26/04
C9215	Injection, cetuximab	K	9215	55, 67	02/12/04
C9216	Abarelix, inject suspension	K	9216	55	

C9217	Injection, omalizumab	K	9300	55	
C9399	Unclassified drugs or biologicals	A	0	55, 66	
C9401	Strontium-89 chloride, brand	K	9401	55	

The following new HCPCS codes were added to the OCE/APC, **effective 07/01/04**

HCPCS	CodeDesc	StatusIndicator	APC	Edit
G0329	Electromagnetic tx for ulcers	A	0	
K0650	Gen w/c cushion width <22"	Y	0	61
K0651	Gen w/c cushion width >=22"	Y	0	61
K0652	Skin protect w/c cus wd <22"	Y	0	61
K0653	Skin protect w/c cus wd >=22"	Y	0	61
K0654	Position w/c cush width <22"	Y	0	61
K0655	Position w/c cush width >=22"	Y	0	61
K0656	Skin pro/pos w/c cus wd<22"	Y	0	61
K0657	Skin pro/pos w/c cus wd >=22"	Y	0	61
K0658	Custom fabricate w/c cushion	Y	0	61
K0659	Powered w/c cushion	Y	0	61
K0660	Gen use back cush width <22"	Y	0	61
K0661	Gen use back cush width >=22"	Y	0	61
K0662	Position back cush width <22"	Y	0	61
K0663	Position back cush width >=22"	Y	0	61
K0664	Pos back post/lat width <22"	Y	0	61
K0665	Pos back post/lat width >=22"	Y	0	61
K0666	Custom fab w/c back cushion	Y	0	61
K0667	Mt hardware man/light pwr w/c	Y	0	61
K0668	Rep ace cover w/c seat cush	Y	0	61
K0669	W/c seat/back no CVR SADMERC	Y	0	61

DELETED HCPCS/CPT PROCEDURE CODES

The following HCPCS code was deleted from the OCE/APC, **effective 04/01/04**

HCPCS	CodeDesc	StatusIndicator	APC
E1065	Wheelchair power attachment	Y	0

HCPCS - APC, STATUS INDICATOR OR EDIT CHANGES

The following code had a SI change, **effective 08/01/00**

HCPCS	Old APC	New APC	Old SI	New SI	Old Edit	New Edit
00530			C	N		

The following codes had a SI and /or edit change, **effective 01/01/04**

HCPCS	Old APC	New APC	Old SI	New SI	Old Edit	New Edit
93788					9	N/A
J2783	738	0	G	N		
Q1001			N	B		62
Q1002			N	B		62
Q1003			N	B		62
Q1004			N	B		62
Q1005			N	B		62

The following code had an APC and SI change, **effective 04/01/04**

HCPCS	Old APC	New APC	Old SI	New SI	Old Edit	New Edit
J2783	0	738	N	G		

The following codes had a SI and / or edit change, **effective 07/01/04**

HCPCS	Old APC	New APC	Old SI	New SI	Old Edit	New Edit
96567	1540	1504	T	S		
C9213			K	G		
C9214			K	G		
C9215			K	G		
C9216			K	G		
C9217			K	G		
C9716	1584	1519	T	S		
E0176			Y	E	61	28
E0177			Y	E	61	28
E0178			Y	E	61	28
E0179			Y	E	61	28
E0192			Y	E	61	28
E0962			Y	E	61	28
E0963			Y	E	61	28

HCPCS	Old APC	New APC	Old SI	New SI	Old Edit	New Edit
E0964			Y	E	61	28
E0965			Y	E	61	28
E1012			Y	E	61	28
E1013			Y	E	61	28

HCPCS – DESCRIPTION CHANGES

The following HCPCS codes had description changes, **effective 07/01/04**

HCPCS	Old Description	New Description
C9716	Predefined New Tech Proc/Svc	Radiofrequency energy to anus
G0321	ESRD related svcs home mo 2-11	ESRDrelatedsvcs home mo 2-11y

REVENUE CODE CHANGES

CHANGES TO REVENUE CODES

The following revenue codes had SI changes, **effective 10/01/03**

RevenueCode	Old SI	New SI
0905	B	E
0906	B	E
0907	B	E

MODIFIER CHANGES

DELETED MODIFIERS

The following modifier was deleted, **effective 04/01/04**

modifier
CG