
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 26

Date: NOVEMBER 28, 2003

CHANGE REQUEST 2982

I. SUMMARY OF CHANGES: The attached OTN directs fiscal intermediaries to instruct hospitals how to bill for Velcade™ (bortezomib) for payment under the hospital outpatient prospective payment system (OPPS)

NEW/REVISED MATERIAL - EFFECTIVE DATE: October 1, 2003

***IMPLEMENTATION DATE: January 1, 2004**

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.

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 | |
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III. FUNDING:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

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|---|---------------------------|
| | Business Requirements |
| | Manual Instruction |
| | Confidential Requirements |
| X | One-Time Notification |

*Medicare contractors only

One-Time Notification

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|-------------|-----------------|-------------------------|---------------------|
| Pub. 100-20 | Transmittal: 26 | Date: November 28, 2003 | Change Request 2982 |
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SUBJECT: Coding and Billing Instructions for Velcade™(bortezomib)

I. GENERAL INFORMATION

A. Background: CMS has approved transitional pass-through status under the Medicare hospital outpatient prospective payment system (OPPS) for Velcade(tm) (bortezomib) for Injection. Payment for HCPCS code C9207, Injection, bortezomib, per 3.5 mg, will be implemented in the Medicare systems in the January 1, 2004 release, but pass-through payments for this drug are effective for services furnished on after October 1, 2003. It is important that the payment policy and billing instructions for this drug, as described below, be conveyed to hospitals as soon as possible.

B. Policy:

For services furnished before October 1, 2003: Hospitals should use HCPCS code J3490 (Unclassified drugs) to bill for Velcade(tm) (bortezomib) administered for injection prior to October 1, 2003. Although no separate payment is allowed under the OPPS for a drug billed with HCPCS J3490, charges associated with J3490 are split proportionally among all the other payable APCs on the claim and are added to the original charges for those other APCs. The resulting charges are converted to cost and used in determining whether the threshold for outlier payment is met. If the outlier threshold is met, claims will generate an outlier payment in addition to APC payments. Charges for J3490 also figure in the calculation of transitional corridor payments.

For services furnished on or after October 1, 2003: Hospitals should use HCPCS code C9207, Injection, bortezomib, per 3.5 mg, to bill for Velcade(tm) (bortezomib) administered for injection on or after October 1, 2003 in order to receive the pass-through payment.

For claims with dates of service October 1, 2003 through December 31, 2003, when additional services are furnished that would be reported on the same claim as C9207, hospitals may wish to remove the charge for C9207 in order to receive payment for the other services on the claim. Hospitals that elect to bill in this manner would submit an adjustment bill in January 2004 to receive payment for C9207. Alternatively, hospitals may delay billing for all services furnished on the date that Velcade is administered until after the January 1, 2004 release is installed.

Hospitals that have submitted a claim using a code other than C9207 to bill for Velcade furnished on or after October 1 may submit an adjustment claim after January 1, 2004 in order to receive the pass-through payment for Velcade.

Institutions that submit claims to fiscal intermediaries and that are not paid under the hospital OPPS should bill for bortezomib the same way they bill for any other drug for which a national HCPCS code has not been assigned, that is, using an appropriate revenue code with or without a HCPCS code for an unclassified drug.

C. Provider Education:

FIs shall inform affected providers by posting either a summary or relevant portions of this document on their Web site upon receipt of this instruction. Also, FIs shall publish this same information in their next regularly scheduled bulletin. If FIs have a listserv that targets affected providers, they shall use it to notify subscribers that information about correct billing for Velcade™ (bortezomib) with regard to Hospital Outpatient PPS services is available on their Web site.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

| Requirement # | Requirements | Responsibility |
|---------------|---|----------------|
| 2982.1 | Contractors shall educate providers regarding the proper billing, including delay and adjustment billing options, and billing status for Velcade™(bortezomib) when provided in a hospital outpatient PPS setting by posting language on their Web site as soon as possible but no later than 1 week from the issuance of this instruction. | FIs |
| 2982.2 | FIs who have a listserv that targets the affected provider communities shall use their listservs to notify subscribers that information about the correct billing and delay and adjustment billing options for Velcade™(bortezomib) when performed in a hospital outpatient PPS setting appears on the FI's Web site. | FIs |

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N.A.

| X-Ref Requirement # | Instructions |
|---------------------|--------------|
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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

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| <p>Effective Date: October 1, 2003</p> <p>Implementation Date: January 1, 2004</p> <p>Pre-Implementation Contact(s):</p> <p>Chuck Braver at (410) 786-6719 for payment policy</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p> | <p>These instructions should be implemented within your current operating budget</p> |
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