Program Memorandum Intermediaries

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

Transmittal A-03-020 **Date: APRIL 2, 2003**

CHANGE REQUEST 2671

SUBJECT: April 2003 Update of the Hospital Outpatient Prospective Payment System (OPPS)

This Program Memorandum (PM) provides changes to the OPPS for the April 2003 update. The April 2003 Outpatient Code Editor (OCE) and the OPPS PRICER will reflect the HCPCS and ambulatory payment classification (APC) additions and changes, and other revisions, identified in this document. This PM includes corrections of errors that appeared in the final rule with comment period published in the **Federal Register** on November 1, 2002 (67 FR 66719). The corrections were published in a Correction Notice (CN) in the **Federal Register** on February 10, 2003 (68 FR 6636). This PM also includes corrections of errors that were brought to our attention subsequent to publication of the Correction Notice on February 10, 2003. Unless otherwise noted, all changes addressed in this PM are effective for services furnished on or after April 1, 2003.
This PM addresses the following subjects:

I. New HCPCS Codes and Their Status Under the Hospital OPPS

HCPCS Code	Effective Date	Status Indicator	Short Descriptor	Long Descriptor
G0281	04/01/03	A	Elec stim unattend for press	Electrical stimulation, (unattended), to one or more areas, for chronic stage III and stage IV pressure ulcers, arterial ulcers, diabetic ulcers, and venous statsis ulcers not demonstrating measurable signs of healing after 30 days of conventional care, as part of a therapy plan of care
G0282	04/01/03	E	Elec stim wound care not pd	Electrical stimulation, (unattended), to one or more areas, for wound care other than described in G0281
G0283	04/01/03	A	Elec stim other than wound	Electrical stimulation, (unattended), to one or more areas for indication(s) other than wound care, as part of a therapy plan of care
K0560	04/01/03	A	Mcp joint 2-piece for implant	Metacarpal Phalangeal Joint Replacement, Two Pieces, Metal (E.G., Stainless Steel Or Cobalt Chrome), Ceramic-Like Material (E.G., Pyrocarbon), For Surgical Implantation (All Sizes, Includes Entire System)
K0600	04/01/03	A	Functional neuromuscular stim	Functional neuromuscular stimulator, transcutaneous stimulation of muscles of ambulation with computer control, used for walking by spinal cord injured, entire system, after completion of training program
K0601	04/01/03	A	Repl batt silver oxide 1.5 v	Replacement Battery For External Infusion Pump Owned By Patient, Silver Oxide, 1.5 Volt, Each

HCPCS Code	Effective Date	Status Indicator	Short Descriptor	Long Descriptor
K0602	04/01/03	A	Repl batt silver oxide 3 v	Replacement Battery For External Infusion Pump Owned By Patient, Silver Oxide, 3 Volt,Each
K0603	04/01/03	A	Repl batt alkaline 1.5 v	Replacement Battery For External Infusion Pump Owned By Patient, Alkaline, 1.5 Volt,Each
K0604	04/01/03	A	Repl batt lithium 3.6 v	Replacement Battery For External Infusion Pump Owned By Patient, Lithium, 3.6 Volt, Each
K0605	04/01/03	A	Repl batt lithium	Replacement Battery For

			4.5 v	External Infusion Pump Owned By Patient, Lithium, 4.5 Volt, Each

II. Changes Affecting Drugs and Biologicals Eligible for Pass-Through Payments

A. The following drugs have been designated as eligible for pass-through payment under the OPPS effective April 1, 2003:

HCPCS Code	SI	APC	Short Descriptor	Long Descriptor	Payment Amount	Co-Payment Amount
C9202	G	9202	Octafluoropropane	Injection, suspension of microspheres of human serum albumin with octafluoropropane, per 3 ml	$148.20	$22.15
C9203	G	9203	Perflexane lipid micro	Injection, perflexane lipid microsheres, per single use vial	$142.50	$21.30
C9204	G	9204	Ziprasidone mesylate	Injection, ziprasidone mesylate, per 20 mg	$41.56	$6.21

B. The February 10, 2003 Correction Notice corrects the descriptor and the payment and copayment amounts for the following pass-through drugs, effective January 1, 2003.

HCPCS Code	SI	APC	Short Descriptor	Long Descriptor	Payment Amount	Co-Payment Amount
J2324	G	9114	Injection, Nesiritide, 0.5 mg	Nesiritide, per 0.5 mg vial	$144.40	$21.58
J3487	G	9115	Inj, zoledronic acid, 1 mg	Inj, zoledronic acid, per 1 mg	$203.49	$30.40

C. The February 10, 2003 Correction Notice corrects the payment status indicator from "K"to "G" and the payment and copayment amount for the following drug, effective January 1, 2003:

HCPCS Code	SI	APC	Short Descriptor	Long Descriptor	Payment Amount	Co-Payment Amount
J7517	G	9015	Mycophenolate mofetil oral	Mycophenolate mofetil oral, 250 mg	$2.53	$0.38

D. The February 10, 2003 CN corrects payment and copayment amounts for the following pass-through drugs, effective January 1, 2003 :

HCPCS Code	SI	APC	Short Descriptor	Long Descriptor	Payment Amount	Co-Payment Amount
C9112	G	9112	Perflutren lipid micro, 2ml	Perflutren lipid micro, 2ml	$148.20	$22.15
C9120	G	9120	Injection, Fulvestrant	Injection, Fulvestrant	$175.16	$26.18

III. Pass-Through Device Category Codes in Effect as of April 1, 2003

A. Device Categories Eligible for Pass-Through Payment

Below is a complete listing of the device categories that are eligible for pass-through payment under the OPPS, including one new category added effective April 1, 2003. If a device is described by one of the existing device categories but is packaged as a component of a system, only the device that meets the pass-through criteria would be eligible for pass-through payment under the appropriate category.

HCPCS Codes	Category Long Descriptor	Effective Date
C1765	Adhesion barrier	7/1/01
C1783	Ocular implant, aqueous drainage assist device	7/1/02
C1814*	Retinal tamponade device, silicone oil	4/1/03
C1884	Embolization Protective System	1/1/03
C1888	Catheter, ablation, non-cardiac, endovascular (implantable)	7/1/02
C1900	Lead, left ventricular coronary venous system	7/1/02
C2614	Probe, percutaneous lumbar discectomy	1/1/03
C2618	Probe, cryoablation	4/1/01
C2632	Brachytherapy solution, iodine –125, per mCi	1/1/03

***** New pass-through device category code effective 4/1/03 .

B. Explanation of Terms/Definitions for Specific Category Codes

- **Adhesion barrier (C1765)** - A bioresorbable substance placed on and around the neural structures, which inhibits cell migration (fibroblasts) and minimizes scar tissue formation. It is principally used in spine surgeries, such as laminectomies and diskectomies.

- **Catheter, ablation, non-cardiac, endovascular (C1888)** – a radiofrequency catheter designed to occlude or obliterate blood vessels (e.g., veins).

- **Embolization protective system (C1884)** – A system designed and marketed for use to trap, pulverize, and remove atheromatous or thrombotic debris from the vascular system during an angioplasty, atherectomy, or stenting procedure.

- **Left ventricular coronary venous system lead (C1900)** - Designed for left heart placement in a cardiac vein via the coronary sinus and is intended to treat the symptoms associated with heart failure.

- **Retinal tamponade device, silicone oil (C1814)** – A device used as a permanent/prolonged retinal tamponade in the treatment of complex retinal detachments. This is used as a post-operative retinal tamponade following vitreoretinal surgery.

IV. Corrections to Information Published in the November 1, 2002 Final Rule With Comment Period (Corrections are in **bold** type).

HCPCS Code	Effective Date of Change	Status Indicator	APC	Short Descriptor	Payment Amount	Co-Payment Amount
76070	01/01/03	**S**	**0288**	CT scan, bone density study	**$67.71**	**$13.54**
G0267	01/01/03	**S**	**0110**	Bone marrow or psc harvest	**$210.22**	**$42.04**
C1207*	01/01/03	**K**	**1207**	Octreotide acetate depot 1 mg	**$74.28**	**$14.86**
A9518	01/01/03	K	**1348**	**I-131 solution per uCi**	**$0.05**	**$0.01**
J1327	01/01/03	**K**	**1607**	Eptifibatide injection	**$7.58**	**$1.52**
C9111	01/01/03	G	9111	Inj, bivalirudin, 250mg vial	$397.81	**$59.46**

*****HCPCS code C1207 was erroneously designated as a deleted code with grace period in the November 1, 2002 final rule. HCPCS code C1207 is **not** deleted.

V. Modifications to Existing HCPCS Codes

A. Change to Status Indicator for Services Not Payable Under OPPS

HCPCS Code	Effective Date of Change	Status Indicator	Short Descriptor	Reference
27096	01/01/03	E	Inject Sacroiliac joint	CN 02/10/03
E0481	01/01/03	E	Intrpulmnry percuss vent sys	CN 02/10/03
G0252	01/01/03	E	PET imaging initial dx	CN 02/10/03
J1561	01/01/03	E	Immune globulin 500 mg	CN 02/10/03
90871	04/01/03	E	Electroconvulsive therapy	A-02-115
97802	04/01/02	A	Medical nutrition, indiv, in	A-02-115
97803	04/01/02	A	Med nutrition, indiv, subseq	A-02-115
97804	04/01/02	A	Medical nutrition, group	A-02-115
G0179	01/01/01	E	MD recertification HHA PT	B-00-65
G0180	01/01/01	E	MD certification HHA patient	B-00-65
G0181	01/01/01	E	Home health care supervision	B-00-65
G0182	01/01/01	E	Hospice care supervision	B-00-65

HCPCS Code	Effective Date of Change	Status Indicator	Short Descriptor	Reference
G0270	01/01/03	A	MNT subs tx for change dx	A-02-115/ AB-02-181/ AB-02-151
G0271	01/01/03	A	Group MNT 2 or more 30 mins	A-02-115/ AB-02-181/ AB-02-151
Q3021	01/01/03	E	Ped hepatitis b vaccine inj	Transmittal AB-02-185
Q3022	01/01/03	E	Hepatitis b vaccine adult ds	Transmittal AB-02-185

Q3023	01/01/03	E	Injection hepatitis Bvaccine	Transmittal AB-02-185
A4632	04/01/03	E	Infus pump rplcemnt battery	AB-03-006
L3677	04/01/02	E	SO hard plastic stabilizer	correction
97014	01/01/03	E	Electric stimulation therapy	AB-02-161
A9700	04/01/03	E	Echocardiography Contrast	Report Using C-9202
0019T	04/01/03	E	Extracorp shock wave tx, ms	Medicare Physician Fee Schedule
78990	01/01/03	E	Provide diag radionuclide(s)	Not Payable by Medicare

B. Change to Status Indicator for Services Payable Under OPPS

HCPCS Code	Effective Date of Change	Status Indicator	Short Descriptor	Reference
A9522	01/01/03	N	Indium111 ibritumomabtiuxetan	CN 02/10/03
A9523	01/01/03	N	Yttrium 90 ibritumomabtiuxetan	CN 02/10/03
E0752	01/01/03	N	Neurostimulator electrode	CN 02/10/03
E0756	01/01/03	N	Implantable pulse generator	CN 02/10/03
E0757	01/01/03	N	Implantable RF receiver	CN 02/10/03
E0782	01/01/03	N	Non-programble infusion pump	CN 02/10/03
E0783	01/01/03	N	Programmable infusion pump	CN 02/10/03

HCPCS Code	Effective Date of Change	Status Indicator	Short Descriptor	Reference
E0785	01/01/03	N	Replacement impl pump cathet	CN 02/10/03
E0786	01/01/03	N	Implantable pump replacement	CN 02/10/03
J1785	01/01/03	F	Injection imiglucerase /unit	CN 02/10/03
L8606	01/01/03	N	Synthetic implnt urinary 1ml	CN 02/10/03
L8614	01/01/03	N	Cochlear device/system	CN 02/10/03
Q1001	01/01/03	N	Ntiol category 1	CN 02/10/03
Q1002	01/01/03	N	Ntiol category 2	CN 02/10/03
Q1003	01/01/03	N	Ntiol category 3	CN 02/10/03
Q1004	01/01/03	N	Ntiol category 4	CN 02/10/03
Q1005	01/01/03	N	Ntiol category 5	CN 02/10/03

C. Change to Status Indicator for Services Payable Under OPPS and/or Change to Associated APC and/or Short Descriptor Change (Changes are in **bold** type**)**

HCPCS Code	Effective Date of Change	Status Indicator	APC	Short Descriptor	Reference
20910	01/01/03	T	**0027**	Remove cartilage for graft	Final Rule 11/1/02
20912	01/01/03	T	**0027**	Remove cartilage for graft	Final Rule 11/1/02
20920	01/01/03	T	**0027**	Removal of fascia for graft	Final Rule 11/1/02

20922	01/01/03	T	**0027**	Removal of fascia for graft	Final Rule 11/1/02
20926	01/01/03	T	**0027**	Removal of tissue for graft	Final Rule 11/1/02
78459	01/01/03	**S**	**0285**	**Heart muscle imaging (PET)**	CN 02/10/03
77523	01/01/03	**S**	**0712**	Proton trmt, intermediate	CN 02/10/03
77525	01/01/03	**S**	**0712**	Proton treatment, complex	CN 02/10/03
90740	01/01/03	**K**	**0356**	Hepb vacc, ill pat 3 dose im	Transmittal AB-02-185
90743	01/01/03	**K**	**0356**	Hep b vacc, adol, 2 dose, im	Transmittal AB-02-185
90744	01/01/03	**K**	**0356**	Hepb vacc ped/adol 3 dose im	Transmittal AB-02-185
90746	01/01/03	**K**	**0356**	Hep b vaccine, adult, im	Transmittal AB-02-185
90747	01/01/03	**K**	**0356**	Hepb vacc, ill pat 4 dose im	Transmittal AB-02-185
G0237	01/01/03	**S**	**0706**	Therapeutic procd strg endur	CN 02/10/03
G0238	01/01/03	**S**	**0706**	Oth resp proc, indiv	CN 02/10/03
G0239	01/01/03	**S**	**0706**	Oth resp proc, group	CN 02/10/03
J1327	01/01/03	K	**1607**	Eptifibatide injection	CN 02/10/03
J1563	01/01/03	K	0905	**Immune globulin, 1 g**	CN 02/10/03
J2260	01/01/03	N	Not applicable	**Inj, milrinone lactate, 5 mg**	CN 02/10/03

HCPCS Code	Effective Date of Change	Status Indicator	APC	Short Descriptor	Reference

VI. Modifications to APC Groups

(Changes from what was published in the November 1, 2002 Final Rule are in **bold** type.)

APC Code	Effective Date of Change	Status Indicator	Description	Payment Rate	Minimum Unadjusted CoPayment	Reference
0162	01/01/03	T	Level III cystourethroscopy and other genitourinary procedures	**$1,083.93**	**$216.79**	CN 02/10/03
0163	01/01/03	T	Level IV cystourethroscopy and other genitourinary procedures	**$1,683.75**	**$336.75**	CN 02/10/03
0235	01/01/03	T	Level I posterior segment eye procedures	**$260.24**	**$72.04**	CN 02/10/03
0285	01/01/03	S	**Heart muscle imaging (PET)**	$945.47	$189.09	CN 02/10/03
0905	01/01/03	K	**Immune globulin, 1 g**	**$43.46**	**$8.69**	CN 02/10/03

1045	01/01/03	K	**Iobenguane sulfate I-131 per 0.5 mCi**	**$201.63**	**$40.33**	CN 02/10/03
2616	01/01/03	K	Brachtyx seed, yttrium-90	**$6,485.37**	**$1,297.07**	CN 02/10/03

VII. Deleted APCs

APC Code	Effective Date of Deletion	Description	Reference
0650	01/01/03	Intermediate/Complex Proton Beam Radiation Therapy	CN 02/10/03
0916	01/01/03	Injection imiglucerase/unit	CN 02/10/03
0026	01/01/03	Level III Skin Repair	Final Rule 11/1/02

VIII. Corrections to Transmittal A-02-129 issued on January 3, 2003

A. Section XX. Billing for Radiation Therapy (CPT Codes 77401 through 77416)
The instructions in Section XX of Transmittal A-02-129 were incorrect. Those instructions are revised to read as follows:

"CPT Codes 77401 through 77416 may be reported more than once per date of service only when radiation treatment is provided during completely different sessions. Only one of these codes may be reported for each treatment session no matter how many areas are treated or no matter how much radiation is delivered**.** CPT Codes 77402 through 77406 describe treatment delivery for a single treatment area. CPT Codes 77407 through 77411 describe treatment delivery to two treatment areas. CPT Codes 77412 through 77416 describe treatment delivery to three or more treatment areas. In the cases of CPT codes 77407 through 77416, the number of distinct treatment areas and complexity of the treatment determine which code series to report, which is then modified by the selection of energy (i.e. MV). For example, if three treatment areas are each treated with 11 MV, then the proper code to bill is 77414. It is incorrect to report 77404 – 77414 (for "11-19 MeV") three times. However, if there is a distinct break and the same region or regions are treated again the same day then a second charge describing the energy and level of complexity is appropriate."

B. Section VI. Payment Policy When a Surgical Procedure on the Inpatient List is Performed on an Emergency Basis or When a Patient Whose Status is Outpatient Dies:

- Paragraph 4 in the instructions in Section VI.A. of Transmittal A-02-129 is replaced by the following new instruction:

  "4. Effective for services furnished on or after 01/01/03, the OCE assigns status indicator 'N' and packaging flag '1' to lines billed with the same date of service as a procedure on a claim with modifier –CA appended to a HCPCS code that has a status indicator 'C'. "

- Instruct hospitals to report Patient Status Code 20 in FL 22 on a claim for a service billed with modifier –CA.

C. Section IV. A. Partial Hospitalization Program (PHP): Coding Partial Hospitalization Services

Instruct providers that HCPCS codes 90875 and 90876 are not covered by Medicare and should not be billed for partial hospitalization program (PHP) patients**.**

D. Section XXIII. A. Changes to Pass-Through Drugs, Biologicals and Radiopharmaceuticals/ HCPCS Replacement Codes for Retiring Pass-Through Drugs

Instruct hospitals that, effective for services furnished on or after January 1, 2003, they should use HCPCS code A9520, Technetiumtc-99m sulfu clld, to replace deleted HCPCS code C1202. (The crosswalk of HCPCS code C1202 to HCPCS code A9519 indicated in Section XXIII.A. of Transmittal A-02-129 was an error.)

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IX. Charges for Packaged Drug, Contrast Medium, or Radiopharmaceutical Agent Billed Separately and in Addition to Charges for the Procedure With Which They are Associated

Instruct hospitals that bill for a drug, contrast medium, or a radiopharmaceutical agent using revenue center 025X or 062X, either with or without a HCPCS code, to exclude that charge from the charge for the associated procedure with which the drug, contrast, or radiopharmaceutical agent is used.

For example, hospitals may bill G0273 and G0274 using the revenue center that designates where the procedures were performed and include the charge for Zevalin within the charge for the appropriate G-code. However, hospitals that bill for Zevalin separately, using HCPCS codes A9522 and A9523, should report A9522 and A9523 using revenue center 621 and 622. Instruct hospitals that bill for Zevalin separately using HCPCS codes A9522 and A9523 and revenue centers 621 and 622 to also report the charge for G0273 and G0274, using the revenue center that designates where the service was furnished, and to exclude from the charge for G0273 and G0274 the charge for Zevalin.

X. New Code for Optison, effective April 1, 2003

Instruct hospitals to use new HCPCS code C9202 instead of A9700 to bill for Microspheres with octafluoropropane (Optison).

XI. Billing for Octreotide Acetate Depot

Instruct hospitals to use HCPCS code C1207 to bill for Octreotide acetate depot, 1 mg. This code is not deleted effective 04/01/03. HCPCS code C1207 will continue to be paid under APC 1207 for services furnished on or after April 1, 2003.

XII. Payment for HCPCS Code A9518, Supply of Radiopharmaceutical Therapeutic Imaging Agent, I-131 Sodium Iodide Solution, Per uCi:

The title for APC 1348 was incorrect in Addendum A of the November 1, 2002 final rule. The correct title, to conform with the descriptor of HCPCS code A9518, which replaces deleted HCPCS code C1065, is: I-131 solution, per uCi. The correct payment for HCPCS code A9518 is:

Payment Rate: $0.05
Copayment Amount: $0.01

You should identify claims for HCPCS code A9518 that were paid incorrectly. After the April 2003 OPPS release is installed, adjust claims that were paid incorrectly and release and process claims that were suspended in accordance with the Joint Signature Memorandum dated February 26, 2003.

Hospitals that bill HCPCS code C1065 for services furnished on or after January 1, 2003 through March 31, 2003 do not receive separate payment because C1065 is assigned status indicator "N" to designate a packaged service.

XIII. Billing for Intravenous Immune Globulin

Instruct hospitals to use HCPCS codes J1563 (Immune globulin, 1 g) and J1564 (Immune globulin, 10 mg) to bill for intravenous immune globulin (IVIG). Hospitals should report J1563 when billing for multiple units of 1-gram quantities of IVIG that they furnish to beneficiaries. One additional unit of J1563 can be reported for residual quantities greater than 0.75 gram. J1564 should be reported rarely and only during instances when patients receive residual quantities of IVIG less than 0.75 gram.

Example 1: If a beneficiary receives 40.50 grams of IVIG, the hospital should report 40 service units of J1563 and 50 service units of J1564 using revenue code 636, and the appropriate administration code.

Example 2: If a beneficiary receives 30.80 grams of IVIG, the hospital should report 31 service units of J1563 using revenue code 636, and the appropriate administration code.

Provider Notification:

Post a notice on your Web site regarding this information and include it in your next regularly scheduled bulletin. If you have electronic bulletin boards or listservs that are used to communicate with your provider community, post this message to your providers using that facility.

The *effective date* for this PM is April 1, 2003.

The *implementation date* for this PM is April 1, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2004.

If you have any questions, contact the your regional office.