# **CMS Manual System**

## Pub. 100-04 Medicare Claims Processing Centers for Medicare &

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

Transmittal 318 Date: OCTOBER 22, 2004

**CHANGE REQUEST 3451** 

SUBJECT: Clarification of CR 3176 - Payment amounts for ESRD drug administration supplies: HCPCS A4657 and A4913.

I. SUMMARY OF CHANGES: Clarifies payment methodology for supplies used in the administration of separately billable drugs: HCPCS A4657 and A4913. Provides instructions on appropriate payments associated with instructions issued in CR 3176.

MANUALIZATION/CLARIFICATION – EFFECTIVE DATE: October 1, 2004 IMPLEMENATATION DATE: November 22, 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: (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: Medicare contractors shall implement these instructions within their current operating budgets.

#### **IV. ATTACHMENTS:**

X	<b>Business Requirements</b>
	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

<sup>\*</sup>Unless otherwise specified, the effective date is the date of service.

## **Attachment - Business Requirements**

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SUBJECT: Clarification of CR 3176 - Payment amounts for ESRD drug administration supplies: HCPCS A4657 and A4913.

#### I. GENERAL INFORMATION

#### A. Background:

Charges associated with supplies used in the administration of separately billable drugs administered to End Stage Renal Dialysis (ESRD) beneficiaries by Renal Dialysis Facilities (RDFs), may be paid in addition to the drug. For both hospital based and independent dialysis facilities, payment for these supplies is covered.

#### B. Policy:

The Provider Reimbursement Manual Part I, Chapter 27, Outpatient Maintenance Dialysis Reimbursement, section 2711.2 (B) 1 and 2711.2 (B) 2(c) instructs that both hospital-based and independent RDFs shall be paid for supplies used in the administration of separately billable drugs.

#### C. Provider Education:

None.

#### II. BUSINESS REQUIREMENTS

<sup>&</sup>quot;Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (place an "X" in the columns that apply)								
						M	ared S Iainta			Other
		FI	RHHII	Carrier	DMERC	FISS	MCS	VMS	CWF	
3451.1	The FI shall pay HCPCS A4657 at the previously established rate of \$0.50 for drug administrations requiring the use of a syringe.	×								
3451.2.1	The FI shall gap fill to determine payment amount for HCPCS A4913 for free standing Renal Dialysis Facilities (RDFs) for drugs requiring the use of an IV administration set.	×								

<sup>&</sup>quot;Shall" denotes a mandatory requirement

Requirement Number	Requirements		Re	spo		ility lumi	-			"X" in the ly)
						M	red l lainta			Other
		FI	RHHI	Carrier	DMERC	FISS	MCS	VMS	CWF	
3451.2.2	The FI shall continue to pay hospital based dialysis facilities for supplies used in association with drug administration on a cost basis utilizing the base providers cost report with cost settlement.	X								
3451.3	The FI shall use the most appropriate method of determining the proper payment amount for supplies associated with HCPCS A4913.  Acceptable methods include consulting with other contractors in the area, use of the Drug Topics Red Book, Medi-Span, or First Data Bank. Contacting other providers in the area is allowed where costs are not readily available.	X								
3451.4	The FI shall insure that the amount established for the payment amount for the supplies associated with HCPCS A4913 does not include any labor costs. The payment for the supply is the only allowable basis for determining this payment.	X								
3451.5	The FI shall require Revenue Code 270 with HCPCS codes A4657 and A4913.									
		×								

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### **A.** Other Instructions:

X-Ref Requirement #	Instructions

## **B.** Design Considerations:

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*: October 1, 2004	Medicare Contractors shall
Implementation Date: November 22, 2004	implement these instructions within their current operating budgets.
<b>Pre-Implementation Contact(s):</b> Pat Barrett, 410-786-0508	
<b>Post-Implementation Contact(s):</b> Regional Offices	

 $<sup>{}^*</sup>$ Unless otherwise specified, the effective date is the date of service.