
Program Memorandum Intermediaries

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

Transmittal A-01-106

Date: AUGUST 24, 2001

CHANGE REQUEST 1839

SUBJECT: Instructions for Billing and Processing of Hospital Outpatient Claims Containing Charges for Epoetin Alfa (EPO), Tradenames: Epogen and Procrit

It has recently been brought to our attention that hospital outpatient claims containing charges for EPO are unable to be processed for payment. This Program Memorandum (PM) provides instructions on the appropriate billing procedures and how to process the pending EPO claims.

Billing Instructions

Hospitals billing EPO for patients with chronic renal failure who are not on a regular course of dialysis, are required to utilize bill type 13X, and report charges under revenue code 636 with HCPCS code Q0136 and without value codes 48, 49, and 68. Payment will be made under the Outpatient Prospective Payment System (OPPS). This PM supercedes instructions in §3644.D.2 of the Medicare Intermediary Manual, Part 3, and §439.1 of the Medicare Hospital Manual which states that charges for EPO provided by hospitals are reported under revenue codes 634 or 635 and payment is made on a reasonable cost basis. With implementation of OPPS, the reasonable cost method of reimbursement was eliminated. The above stated manual section will be updated at a later date to conform with this PM.

Special Handling Instructions

Do not Return To Provider (RTP) these claims since hospitals are billing in compliance with current billing procedures. Instead, you must take the following actions:

- Manually change the revenue code on the claim to 636;
- Enter HCPCS code Q0136;
- Remove value codes 48, 49, and 68;
- Remove condition codes 70, 71, 72, 73, 74, 75 or 76; and
- Enter the appropriate units in the unit field to reflect the value code 68 amount divided by 1000.

If a claim spans more than 1 day with multiple occurrences of revenue code 634 and 635 and there is a question about how to portion the units, contact the provider to obtain this information. Once you have made these changes, release the claim for payment including any applicable interest. When releasing these claims, enter condition code 15 to indicate they are clean claims in which payment was delayed due to a CMS processing delay and are therefore, not subject to contractor performance evaluation for claims processing timeliness standards.

These claims should not be considered part of the medical review workload. However, you must be able to identify these claims in your system for audit trail purposes.

Place this PM on your website before implementing the above instructions and include it in your next regularly scheduled bulletin.

The *effective date* for this PM is August 24, 2001.

The *implementation date* for this PM is no later than September 21, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after December 1, 2002.

If you have any questions, contact Faith Ashby on (410) 786-6145 or Antoinette Johnson on (410) 786-9326.