
Program Memorandum Intermediaries

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

Transmittal A-02-123

Date: DECEMBER 13, 2002

CHANGE REQUEST 2488

SUBJECT: Hospital Billing for Immunosuppressive Drugs Furnished to Transplant Patients—ACTION

Effective January 1, 2003, you will no longer make payments to hospital outpatient departments subject to the outpatient prospective payment system (OPPS) for immunosuppressive drugs furnished to beneficiaries for use after discharge, e.g., 30-day supplies. Payment may be allowed under the hospital OPPS for one administration of an immunosuppressive drug when furnished to a beneficiary who is registered as an outpatient for the purpose of receiving outpatient services. However, claims for 30-day supplies of immunosuppressive drugs furnished to beneficiaries by a hospital are not payable under the OPPS. Immunosuppressives and many other drugs are packaged into the services the beneficiary receives on a given day. That is, the cost billed for the drug in the base year is part of the cost of the service, such as a clinic visit, with which it was billed. Thus, there is no mechanism for paying for 30-day supplies of the drugs. Consequently, those hospitals that have been providing beneficiaries with immunosuppressives must bill the durable medical equipment carrier (DMERC) in their area to receive payment for these supplies of immunosuppressive drugs.

If a hospital already has a supplier number for billing the DMERC for DME, advise them to use that number for billing the DMERC for immunosuppressive drugs. If a hospital does not already have a supplier number for billing the DMERC, advise them that they will have to complete a form CMS-855-S and obtain a supplier number from the National Supplier Clearinghouse (NSC). Supplier numbers are deleted if 12 months elapse without a claim submission. There are two ways to obtain a supplier number from the NSC:

- 1) Hospitals can call the NSC directly at 1-866-238-9652, request an application form, and the NSC will send them a CMS-855-S. Once the hospital has completed the 855-S, it should be submitted as soon as possible to the NSC at the address indicated on the form; or
- 2) Alternatively, hospitals may go to the CMS Web site, cms.hhs.gov/providers/enrollment/default.asp, and download the 855-S in Adobe Acrobat format. They can then complete the application hard copy and submit it to the NSC.

Hospitals should attach the following information to their applications to expedite receiving their supplier number:

1. Name of current intermediary, and
2. Medicare provider number (OSCAR number).

Once a hospital has its supplier number, it can proceed to bill the appropriate DMERC using the CMS-1500 or electronic equivalent, and listing the actual drug by HCPCS code and specifying the units given to the beneficiary. The DMERC will provide specific instructions to hospital pharmacies on billing requirements. Payment from the DMERC will be based on the instructions in PM AB-02-075Part B deductible and coinsurance requirements apply.

Provider Education

Notify all hospitals you serve that are subject to OPPS of the need to bill immunosuppressive drugs to the DMERC effective January 1, 2003. **This notification must occur within 5 working days of receipt of this PM.** You may inform your hospitals via a provider bulletin, provider letter, or listserv. **You must also place this PM on your Web site within 5 working days of its receipt and publish it in your next regularly scheduled bulletin.** You need not inform other provider types of this PM. These instructions apply **only** to hospital outpatient departments subject to OPPS.

The *effective date* for this Program Memorandum (PM) is January 1, 2003.

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

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2004.

If you have any questions, contact your regional office.