
Program Memorandum Intermediaries/Carriers

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

Transmittal AB-02-082

Date: JUNE 11, 2002

CHANGE REQUEST 2230

SUBJECT: Coding Changes for Sodium Hyaluronate

Background

The purpose of this Program Memorandum (PM) is to inform all contractors that the following new code will become effective July 1, 2002: Q3030 SODIUM HYALURONATE, PER 20 TO 25 MG DOSE, FOR INTRA ARTICULAR INJECTION, (short descriptor - Sodium hyaluronate 20-25 mg dose, ia). The current code J7316 will be discontinued on June 30, 2002, and the usual 90-day grace period will apply. The code Q3030 will be discontinued as of December 31, 2002, with no grace period. Another code will be established at a later date for use after December 31, 2002.

Carrier Instructions

By October 1, 2002, carriers and the Common Working File must make any necessary changes in order to be able to accept and pay the new code Q3030 (type of service 1) for dates of service on or after July 1, 2002, and to discontinue J7316 with the 90-day grace period as of July 1, 2002.

Services submitted with the Q3030 prior to October 1, 2002, will be denied. After September 30, 2002, at provider request, carriers must reopen previously denied claims for Q3030 and pay them through the adjustment process.

Also at provider request after September 30, 2002, for services billed with J7316 for dates of service from July 1, 2002, through September 30, 2002, carriers must adjust payments to what would have been payable had Q3030 been added to the system July 1, 2002. Carriers must use whatever method is most appropriate and expedient to accomplish this action.

Reimbursement for the Q3030 should be developed through the normal drug pricing procedures. For example, if there are two brand name products of injectable sodium hyaluronate, and Drug A, given in a dose of 20 mg, has an average wholesale price (AWP) of \$50.00 and Drug B, given in a dose of 25 mg, has an AWP of \$48.00, then the AWP of \$48.00 is multiplied by 95% to determine the drug payment allowance limit.

Carriers must use the language below for provider notification. This notification must be added to carrier websites and list serves within 2 weeks of the date of this PM. The language should also be included in their next regularly scheduled bulletins.

CMS has established the new payment code Q3030 - SODIUM HYALURONATE, PER 20 TO 25 MG DOSE, FOR INTRA ARTICULAR INJECTION. This code will become effective July 1, 2002, for claims with dates of service on or after that date. The current code for this drug will be discontinued as of July 1, 2002, with a 90-day grace period. Providers should submit a claim with one code or the other, but not both.

Due to systems limitations, CMS will not be able to accept the new code for payment until October 1, 2002. Therefore, services submitted with the Q3030 will be denied until October 1, 2002. Providers may hold their claims and submit them using the Q3030 starting October 1, 2002. Or, they may continue to submit them using the J7316 through September 30, 2002. Should there be a payment differential between J7316 and Q3030, starting October 1, 2002, providers may contact their carriers and request that an adjustment be made for claims with dates of service from July 1, 2002, through September 30, 2002.

Fiscal Intermediary Instructions

By October 1, 2002, you must make any necessary changes in order to be able to accept and pay the new code Q3030 for claims with dates of service on or after July 1, 2002, and to discontinue J7316 with the 90-day grace period as of July 1, 2002.

Code Q3030 will be added to the October Outpatient Code Editor (OCE) (Version v3.2) as a valid code. Until successful implementation of the October OCE, claims submitted with code Q3030 will be returned to the provider. Therefore, advise your providers to hold all claims for code Q3030 and submit them after the October 2002 OCE is installed. If a claim contains other services in addition to code Q3030, the provider should be advised to remove code Q3030 from the claim and submit the remaining services for payment.

Also advise your providers that they may submit an adjustment claim after September 30, 2002, for services billed with J7316 for dates of service from July 1, 2002, through September 30, 2002, to bring the payment amount to what would have been paid for Q3030 had it been added to the system by July 1, 2002, as a payable code.

Intermediaries must use the language below for provider notification. This notification must be added to intermediary websites and list serves within 2 weeks of the date of this PM. The language should also be included in their next regularly scheduled bulletins.

CMS has established the new payment code Q3030 - SODIUM HYALURONATE, PER 20 TO 25 MG DOSE, FOR INTRA ARTICULAR INJECTION. This code will become effective July 1, 2002 for claims with dates of service on or after that date. The current code for this drug will be discontinued as of July 1, 2002, with a 90-day grace period. Providers should submit a claim with one code or the other, but not both.

Due to systems limitations, CMS will not be able to accept the new code for payment until October 1, 2002. Therefore, claims containing services submitted with the Q3030 will be returned to you until October 1, 2002. You may hold your claims and submit them using the Q3030 beginning October 1, 2002. Or, you may continue to submit claims through September 30, 2002 using the J7316. Should there be a payment differential between J7316 and Q3030, you may submit an adjustment claim October 1, 2002, for claims with dates of service from July 1, 2002, through September 30, 2002. If you choose to hold claims containing Q3030, you may submit the remaining services for payment.

The effective date for the systems changes in this PM is July 1, 2002.

The implementation date for the systems changes in this PM is October 1, 2002.

The effective date and implementation date for the provider notification in this PM is 2 weeks from the date of issuance for web sites and list serves and then in the next regularly scheduled bulletin.

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2003.

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