DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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Related Change Request (CR) #: CR 10005

Related CR Release Date: March 3, 2017

Effective Date: April 1, 2017

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Implementation Date: April 3, 2017

April 2017 Update of the Hospital Outpatient Prospective Payment System (OPPS)

Provider Types Affected

This MLN Matters® Article is intended for providers and suppliers who submit claims to Medicare Administrative Contractors (MAC), including Home Health and Hospice (HH&H) MACs, for services provided to Medicare beneficiaries paid under the Outpatient Prospective Payment System (OPPS).

Provider Action Needed

Change Request (CR) 10005 describes changes to and billing instructions for various payment policies implemented in the April 2017 OPPS update. The April 2017 Integrated Outpatient Code Editor (I/OCE) will reflect the Healthcare Common Procedure Coding System (HCPCS), Ambulatory Payment Classification (APC), HCPCS Modifier and Revenue Code additions, changes and deletions identified in CR 10005. Make sure your billing staff is aware of these changes.

Background

Key changes to and billing instructions for various payment policies implemented in the April 2017 OPPS updates are as follows:

Proprietary Laboratory Analyses (PLA) CPT Codes Effective February 1, 2017

The American Medical Association (AMA) Current Procedural Terminology (CPT) Editorial Panel established three new PLA CPT codes, specifically CPT codes 0001U, 0002U and 0003U. The long descriptors for the codes are listed in Table 1. Because the codes were effective February 1, 2017, they were not included in the January 2017 I/OCE update and the January 2017 OPPS Addendum B.

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Table 1 − PLA CPT Codes Effective February 1, 2017

CPT Code	Long Descriptor	OPPS SI
0001U	Red blood cell antigen typing, DNA, human erythrocyte antigen gene analysis of 35 antigens from 11 blood groups, utilizing whole blood, common RBC alleles reported	A
0002U	Oncology (colorectal), quantitative assessment of three urine metabolites (ascorbic acid, succinic acid and carnitine) by liquid chromatography with tandem mass spectrometry (LC-MS/MS) using multiple reaction monitoring acquisition, algorithm reported as likelihood of adenomatous polyps	Q4
0003U	Oncology (ovarian) biochemical assays of five proteins (apolipoprotein A-1, CA 125 II, follicle stimulating hormone, human epididymis protein 4, transferrin), utilizing serum, algorithm reported as a likelihood score	Q4

Under the hospital OPPS, CPT code 0001U is assigned to status indicator “A” and CPT codes 0002U and 0003U are assigned to status indicator “Q4” (conditionally packaged laboratory tests) effective February 1, 2017. For more information on OPPS SI “A” and “Q4,” refer to OPPS Addendum D1 of the Calendar Year (CY) 2017 OPPS/ASC final rule for the latest definitions to the OPPS status indicators for CY 2017.

CPT codes 0001U, 0002U and 0003U have been added to the April 2017 I/OCE with an effective date of February 1, 2017. These codes, along with their short descriptors and status indicators, are also listed in the April 2017 OPPS Addendum B at **https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html**.

Coding Changes for Presumptive Drug Tests Effective January 1, 2017

Prior to CY 2017, HCPCS codes G0477, G0478 and G0479 were used to describe presumptive drug tests. For the CY 2017 update, the AMA CPT Editorial Panel established three new CPT codes, specifically CPT codes 80305, 80306, and 80307, to describe the same presumptive drug tests as the HCPCS G-codes. Consequently, the HCPCS G-codes were terminated on December 31, 2016. Because CPT codes 80305, 80306 and 80307 describe the same presumptive drug tests as the HCPCS G-codes, the Centers for Medicare & Medicaid Services (CMS) assigned these new CPT codes to the same OPPS status indicator as its predecessor HCPCS G-codes effective January 1, 2017. Table 2 shows the HCPCS codes, long descriptors, status indicators, and replacement codes for the HCPCS G-codes.

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Table 2 − Coding Changes for Presumptive Drug Tests Effective January 1, 2017

HCPCS	Long Descriptor	OPPS SI	Add Date	Termination Date	Replacement Code
G0477	Drug test(s), presumptive, any number of drug classes; any number of devices or procedures, (e.g., immunoassay) capable of being read by direct optical observation only (e.g., dipsticks, cups, cards, cartridges), includes sample validation when performed, per date of service	N/A	01/01/2016	12/31/2016	80305
G0478	Drug test(s), presumptive, any number of drug classes; any number of devices or procedures, (e.g., immunoassay) read by instrument-assisted direct optical observation (e.g., dipsticks, cups, cards, cartridges), includes sample validation when performed, per date of service	N/A	01/01/2016	12/31/2016	80306
G0479	Drug test(s), presumptive, any number of drug classes; any number of devices or procedures by instrumented chemistry analyzers utilizing immunoassay, enzyme assay, tof, maldi, ldtd, desi, dart, ghpc, gc mass spectrometry), includes sample validation when performed, per date of service	N/A	01/01/2016	12/31/2016	80307
80305	Drug test(s), presumptive, any number of drug classes, any number of devices or procedures (e.g., immunoassay); capable of being read by direct optical observation only (e.g., dipsticks, cups, cards, cartridges) includes sample validation when performed, per date of service	Q4	01/01/2017		N/A

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HCPCS	Long Descriptor	OPPS SI	Add Date	Termination Date	Replacement Code
80306	Drug test(s), presumptive, any number of drug classes, any number of devices or procedures (e.g., immunoassay); read by instrument assisted direct optical observation (e.g., dipsticks, cups, cards, cartridges), includes sample validation when performed, per date of service	Q4	01/01/2017		N/A
80307	Drug test(s), presumptive, any number of drug classes, any number of devices or procedures, by instrument chemistry analyzers (e.g., utilizing immunoassay [e.g., eia, elisa, emit, fpia, ia, kims, ria]), chromatography (e.g., gc, hplc), and mass spectrometry either with or without chromatography, (e.g., dart, desi, gc-ms, gc-ms/ms, lc-ms, lc-ms/ms, ldtd, maldi, tof) includes sample validation when performed, per date of service	Q4	01/01/2017		N/A

Because CMS was unable to delete HCPCS codes G0477, G0478 and G0479 in the January 2017 I/OCE update, CMS is deleting these codes in the April 2017 I/OCE update effective December 31, 2016. The short descriptors for CPT codes 80305, 80306 and 80307, along with their status indicators, are available in the April 2017 OPPS Addendum B.

Clarification regarding HCPCS Code G0498

Under the OPPS, HCPCS code G0498 is assigned status indicator "S" (Procedure or Service, Not discounted when multiple) effective January 1, 2016. HCPCS code G0498 (Chemotherapy administration, intravenous infusion technique; initiation of infusion in the office/other outpatient setting using office/other outpatient setting pump/supplies, with continuation of the infusion in the community setting (for example, home, domiciliary, rest home or assisted living) is intended to describe a service where the facility incurred a facility expense specific to the provision of the non-implantable, external infusion pump. Because HCPCS code G0498 includes the chemotherapy administration, providers should not report HCPCS code G0498 with CPT code 96416 (Initiation of prolonged chemotherapy infusion - more than 8 hours - requiring use of a portable or implantable pump). In addition, a hospital should append modifier 52 (reduced service) to HCPCS code G0498 when a component of the service is not performed.

As a reminder, hospitals are expected to report all drug administration CPT codes in a manner consistent with their descriptors, CPT instructions and correct coding principles. Also, hospitals are

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reminded to bill for all services provided using the HCPCS code(s) that most accurately describe the service(s) they provided.

Argus Retinal Prosthesis Add-on Code (C1842)

As stated in the January 2017 update, HCPCS code C1842 (Retinal prosthesis, includes all internal and external components; add-on to C1841) was established to resolve a claims processing issue for Ambulatory Surgery Centers (ASC) and should not be reported on institutional claims by hospital outpatient department providers. Therefore, the status indicator for HCPCS code C1842 will change from status indicator (SI)=N (Paid under OPPS; payment is packaged into payment for other services) to SI=E1 (Not paid by Medicare when submitted on outpatient claims (any outpatient bill type) in the April 2017 update. This correction to status indicator will be retroactive to January 1, 2017.

Drugs, Biologicals and Radiopharmaceuticals

A. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2017

For CY 2017, payment for nonpass-through drugs, biologicals and therapeutic radiopharmaceuticals is made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. In CY 2017, a single payment of ASP + 6 percent for pass-through drugs, biologicals and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead cost of these pass-through items. Payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective April 1, 2017, and drug price restatements are available in the April 2017 update of the OPPS Addendum A and Addendum B.

B. Drugs and Biologicals with OPPS Pass-Through Status Effective April 1, 2017

Seven drugs and biologicals have been granted OPPS pass-through status effective April 1, 2017. These items, along with their descriptors and Ambulatory Payment Classification (APC) assignments, are identified in Table 3.

Table 3 – Drugs and Biologicals with OPPS Pass-Through Status Effective April 1, 2017

HCPCS Code	Long Descriptor	APC	Status Indicator
C9484	Injection, eteplirsen, 10 mg	9484	G
C9485	Injection, olaratumab, 10 mg	9485	G
C9486	Injection, granisetron extended release, 0.1 mg	9486	G
C9487	Ustekinumab, for intravenous injection, 1 mg	9487	G
C9488	Injection, conivaptan hydrochloride, 1 mg	9488	G
J7328	Hyaluronan or derivative, gel-syn, for intra-articular injection, 0.1 mg	1862	G
Q5102	Injection, infliximab, biosimilar, 10 mg	1847	G

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C. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates
Some drugs and biologicals based on ASP methodology will have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/OPPS-Restated-Payment-Rates.html on the first date of the quarter. Providers may resubmit claims that were impacted by adjustments to previous quarter's payment files.

D. Revised Status Indicator for HCPCS Code J1130
The status indicator for HCPCS code J1130 (Injection, diclofenac sodium, 0.5 mg) will change from SI=E2 (Items and Services for which pricing information and claims data are not available) to SI=K (Paid under OPPS; separate APC payment) in the April 2017 update. This correction to status indicator will be retroactive to January 1, 2017. See Table 4.

Table 4 – Revised Status Indicator for HCPCS Code J1130

HCPCS Code	Long Descriptor	APC	Status Indicator	Effective Date
J1130	Injection, diclofenac sodium, 0.5 mg	1863	K	01/01/2017

E. HCPCS code C9744
As a reminder to hospital providers, HCPCS code C9744 (Ultrasound, abdominal, with contrast) may be used to describe use of a contrast agent in ultrasonography of the liver, kidneys and/or bladder.

F. Reassignment of Skin Substitute Product from the Low Cost Group to the High Cost Group
Four skin substitute products have been reassigned from the low cost skin substitute group to the high cost skin substitute group based on updated pricing information. The HCPCS codes are Q4161, Q4169, Q4173 and Q4175. These products are listed in Table 5.

Table 5 – Reassignment of Skin Substitute Product from the Low Cost Group to the High Cost Group Effective April 1, 2017

CY 2017 HCPCS Code	CY 2017 Short Descriptor	CY 2017 SI	Low/High Cost Skin Substitute
Q4161	Bio-Connekt per square cm	N	High
Q4169	Artacent wound, per square cm	N	High
Q4173	Palingen or palingen xplus, per sq cm	N	High
Q4175	Miroderm, per square cm	N	High

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G. Removal of Skin Substitute Product from the High/Low Cost Skin Substitute Table
One HCPCS code, Q4171, was inadvertently included in the High/Low Cost Skin Substitute table. Effective April 2017, Q4171 is removed from the High/Low Cost Skin Substitute table. This product is listed in Table 6.

Table 6 – Skin Substitute Product removed from High/Low Cost Skin Substitute Table Effective April 1, 2017

CY 2017 HCPCS Code	CY 2017 Short Descriptor	CY 2017 SI
Q4171	Interfyl, 1 mg	N

Coverage Determinations

As a reminder, the fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the OPPS does not imply coverage by the Medicare program. Instead, it only indicates how the product, procedure or service may be paid if covered by the program. Medicare Administrative Contractors (MAC) determine whether a drug, device, procedure or other service meets all program requirements for coverage. For example, MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

Additional Information

To view the official instruction, CR 9982 issued to your MAC regarding this change, refer to **https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3728CP.pdf**.

If you have any questions, please contact your MAC at their toll-free number. That number is available at **https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/**.

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