Program Memorandum Intermediaries

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

Transmittal A-03-051 **Date: JUNE 13, 2003**

CHANGE REQUEST 2771

SUBJECT: July 2003 Update of the Hospital Outpatient Prospective Payment System (OPPS)

This Program Memorandum (PM) provides changes to the OPPS for the July 2003 update. The July 2003 Outpatient Code Editor (OCE) and OPPS PRICER will reflect the Healthcare Common Procedure Coding System (HCPCS) codes and ambulatory payment classification (APC) additions and changes, and other revisions, identified in this document. Unless otherwise noted, all changes addressed in this PM are effective for services furnished on or after July 1, 2003.

This PM addresses the following subjects:

I. New HCPCS Codes and Their Status Under the Hospital OPPS

II. Changes Affecting Drugs and Biologicals

III. Pass-Through Device Category Codes in Effect as of July 1, 2003

IV. Modifications to Existing HCPCS Codes and APC Groups

V. Billing and Payment Requirements for Observation Services

VI. Drug-Eluting Stents

VII. Coding Instructions for Oxaliplatin (Eloxatin)

VIII. Minimum Unadjusted Copayment Amount for APC 0235, Level I Posterior Segment Eye Procedures

IX. Billing Instructions for A9518, Supply of Radiopharmaceutical Therapeutic Imaging Agent, I-131 Sodium Iodide Solution

X. Payment Amount for J3487, Inj, Zoledronic Acid, per 1 mg

I. New HCPCS Codes and Their Status Under the Hospital OPPS

HCPCS Code	Effective Date	SI	APC	Short Descriptor	Long Descriptor	Reference
C1818	07/01/03	H	1818	Integrated keratoprosthesis	Integrated keratoprosthesis	Section III of this PM
C8918	07/01/03	S	0284	MRA w/cont, pelvis	Magnetic resonance angiography with contrast, pelvis	Hospital Manual (CMS Pub. 10) Section 445
C8919	07/01/03	S	0336	MRA w/o cont, pelvis	Magnetic resonance angiography without contrast, pelvis	Hospital Manual (CMS Pub. 10) Section 445
C8920	07/01/03	S	0337	MRA w/o fol w/cont, pelvis	Magnetic resonance angiography without contrast, followed by with contrast, pelvis	Hospital Manual (CMS Pub. 10) Section 445
C9205	07/01/03	G	9205	Oxaliplatin	Injection, oxaliplatin, per 5 mg	Section VII of this PM
K0606	07/01/03	A	N/A	AED garment w elec analysis	Automatic external defibrillator with integrated electrocardiogram analysis, garment type	AB-03-044
K0607	07/01/03	A	N/A	Repl batt for AED device	Replacement battery for automatic external defibrillator, each	AB-03-044
K0608	07/01/03	A	N/A	Repl garment for AED	Replacement garment for use with automatic external defibrillator, each	AB-03-044
K0609	07/01/03	A	N/A	Repl electrode for AED	Replacement electrodes for use with automatic external defibrillator, each	AB-03-044
K0610	07/01/03	A	N/A	Peritoneal dialysis clamp	Peritoneal dialysis clamp, each	AB-03-044
K0611	07/01/03	A	N/A	Disposable cycler set	Disposable cycler set used with cycler dialysis machine, each	AB-03-044
K0612	07/01/03	A	N/A	Drainage ext line, dialysis	Drainage extension line, sterile, for dialysis, each	AB-03-044
K0613	07/01/03	A	N/A	Ext line w easy lock connect	Extension line with easy lock connectors, used with dialysis	AB-03-044

HCPCS Code	Effective Date	SI	APC	Short Descriptor	Long Descriptor	Reference
K0614	07/01/03	A	N/A	Chem/antiseptic solution, 8oz	Chemicals/antiseptic solutions used to clean/sterilize dialysis equipment, per 8 ounces	AB-03-044
K0615	07/01/03	A	N/A	SGD prerec mes >8min ≤20min	Speech generating device, digitized speech, using pre-recorded messages, greater than 8 minutes but less than or equal to 20 minutes recording time	AB-03-044
K0616	07/01/03	A	N/A	SGD prerec mes >20min ≤40min	Speech generating device, digitized speech, using pre-recorded messages, greater than 20 minutes but less than or equal to 40 minutes recording time	AB-03-044
K0617	07/01/03	A	N/A	SGD prerec mes > 40min	Speech generating device, digitized speech, using pre-recorded messages, greater than 40 minutes recording time	AB-03-044
K0618	07/01/03	A	N/A	TLSO 2 piece rigid shell	TLSO, sagittal-coronal control, modular segmented spinal system, two rigid plastic shells, posterior extends from the sacrococcygeal junction and terminates just inferior to the scapular spine, anterior extends from the symphsis pubis to the xiphoid, soft liner, restricts gross trunk motion in the sagittal and coronal planes, lateral strength is provided by overlapping plastic stabilizing closures, includes straps and closures, prefabricated, includes fitting and adjustment	AB-03-045

HCPCS Code	Effective Date	SI	APC	Short Descriptor	Long Descriptor	Reference
K0619	07/01/03	A	N/A	TLSO 3 piece rigid shell	TLSO, sagittal-coronal control, modular segmented spinal system, three rigid plastic shells, posterior extends from the sacrococcygeal junction and terminates just inferior to the scapular spine, anterior extends from the symphsis pubis to the xiphoid, soft liner, restricts gross trunk motion in the sagittal and coronal planes, lateral strength is provided by overlapping plastic stabilizing closures, includes straps and closures, prefabricated, includes fitting and adjustment	AB-03-045
K0620	07/01/03	A	N/A	Tubular elastic dressing	Tubular elastic dressing, any width, per linear yard	AB-03-043
K0621	07/01/03	A	N/A	Gauze, non-impreg pack strip	Gauze, packing strips, non-impregnated, less than or equal to 2 inches, per linear yard	AB-03-043
Q4052	07/01/03	K	1207	Octreotide injection, depot	Injection, octreotide, depot form for intramuscular injection, 1 mg	Section II of this PM
Q4053	07/01/03	G	9119	Pegfilgrastim, per 1 mg	Injection, pegfilgrastim, per 1 mg	Section II of this PM

II. Changes Affecting Drugs and Biologicals

A. Deleted C-codes

Effective for services furnished on or after July 1, 2003, the following C-codes are deleted and replaced with those Q-codes identified in Section II.B. (below).

HCPCS Code	Effective Date	SI	Short Descriptor
C1207	07/01/03	K	Octreotide acetate depot 1 mg
C9119	07/01/03	G	Injection, pegfilgrastim

B. Added Q-codes

HCPCS Code	Effective Date	SI	APC	Short Descriptor	Long Descriptor
Q4052	07/01/03	K	1207	Octreotide injection, depot	Injection, octreotide, depot form for intramuscular injection, 1 mg
Q4053	07/01/03	G	9119	Pegfilgrastim, per 1 mg	Injection, pegfilgrastim, per 1 mg

III. Pass-Through Device Category Codes in Effect as of July 1, 2003

A. Device Categories Eligible for Pass-Through Payment

Below is a complete listing of the device categories that are eligible for pass-through payment under the OPPS, including one new category added effective July 1, 2003. If a device is described by one of the existing device categories but is packaged as a component of a system, only the device that meets the pass-through criteria would be eligible for pass-through payment under the appropriate category.

HCPCS	Category Long Descriptor	Effective Date
C1765	Adhesion barrier	07/01/01
C1783	Ocular implant, aqueous drainage assist device	07/01/02
C1814	Retinal tamponade device, silicone oil	04/01/03
C1818*	Integrated keratoprosthesis	07/01/03
C1884	Embolization protective system	01/01/03
C1888	Catheter, ablation, non-cardiac, endovascular (implantable)	07/01/02
C1900	Lead, left ventricular coronary venous system	07/01/02
C2614	Probe, percutaneous lumbar discectomy	01/01/03
C2618	Probe, cryoablation	04/01/01
C2632	Brachytherapy solution, iodine –125, per mCi	01/01/03

*New pass-through device category code effective 07/01/03; see Section I of this PM.

B. Explanation of Terms/Definitions for Specific Category Codes

- **Adhesion barrier (C1765)** - A bioresorbable substance placed on and around the neural structures, which inhibits cell migration (fibroblasts) and minimizes scar tissue formation. It is principally used in spine surgeries, such as laminectomies and diskectomies.

- **Catheter, ablation, non-cardiac, endovascular (C1888)** – a radiofrequency or laser catheter designed to occlude or obliterate blood vessels (e.g., veins).

- **Embolization protective system (C1884)** – A system designed and marketed for use to trap, pulverize, and remove atheromatous or thrombotic debris from the vascular system during an angioplasty, atherectomy, or stenting procedure.

- **Integrated keratoprosthesis (C1818)** – The device is composed of a flexible, one-piece biocompatible polymer. It is used to replace diseased corneas in conditions and patient states where traditional corneal transplantation is not indicated or possible. Implantation of the procedure is done in a two-stage surgical approach.

- **Left ventricular coronary venous system lead (C1900)** - Designed for left heart placement in a cardiac vein via the coronary sinus and is intended to treat the symptoms associated with heart failure.

- **Retinal tamponade device, silicone oil (C1814)** – A device used as a permanent/prolonged retinal tamponade in the treatment of complex retinal detachments. This is used as a post-operative retinal tamponade following vitreoretinal surgery.

IV. Modifications to Existing HCPCS Codes and APC Groups

A. Services Not Payable Under OPPS (Changes are in **bold** type)

HCPCS Code	Effective Date of Change	SI	Short Descriptor	Reference
0029T	07/01/03	**A**	Magnetic tx for incontinence	A-03-011
80050	08/01/00	**E**	General health panel	N/A
92510	07/01/03	**E**	Rehab for ear implant	A-03-011
92597	01/01/03	**A**	Voice prosthetic evaluation	AB-03-057
K0552	04/01/03	A	**Supply/ext inf pump syr type**	N/A

B. Services Payable Under OPPS (Changes are in **bold** type)

HCPCS Code	Effective Date of Change	SI	APC	Short Descriptor	Reference
0016T	01/01/03	**T**	**0235**	Thermotx choroids vasc lesion	A-03-020

C. Modifications to APC Groups (Changes are in **bold** type)

APC Code	Effective Date of Change	SI	Description	Payment Rate	Minimum Unadjusted Copayment	Reference
1207	07/01/03	K	**Octreotide injection, depot**	$74.28	$14.86	Section XI of this PM
9119	07/01/03	G	**Pegfilgrastim, per 1 mg**	$467.08	$69.82	Sections I and II of this PM

V. Billing and Payment Requirements for Observation Services

In the 2003 update of the OPPS (A-02-129), we instructed hospitals to use Modifier -25 with G0263 (Direct admission of patient with diagnosis of congestive heart failure, chest pain or asthma for observation services that meet all criteria for G0244) in order to receive payment for G0244 (Observation care provided by a facility to a patient with CHF, chest pain, or asthma, minimum eight hours, maximum forty-eight hours). However, that instruction was incorrect. Hospitals are not required to report modifier –25 with G0263.

In addition, diagnostic services performed on the day before a patient is admitted to observation are not automatically allowed in meeting the requirement that certain diagnostic tests be performed in order to receive a separate payment for observation services. Hospitals must perform the specified diagnostic services during the period that begins with the date of the Evaluation and Management (E/M) visit, or the date the patient is admitted to critical care or directly admitted to observation, and ends when the patient has been in observation for 24 hours.

If the E/M visit that led to the observation is the day before, e.g., overnight ER visit leading to observation, any ancillary tests performed during that E/M visit are allowed toward the observation criteria. However, for patients who are direct admissions to observation from the physician's office, ancillary tests done the day before would be unrelated to the observation period and would not be counted toward meeting the observation criteria.

VI. Drug-Eluting Stents

In the 2003 update of the OPPS (A-02-129), we provided billing instructions for drug-eluting stents. The Food and Drug Administration (FDA) approved drug-eluting stents effective April 24, 2003. This Program Memorandum provides updated billing instructions for the placement of drug-eluting stents.

Effective for services furnished on or after July 1, 2003

We are implementing payment under APC 0656, Transcatheter Placement of Drug-Eluting Coronary Stents, for two temporary HCPCS codes that describe drug-eluting stents and their placement. Hospitals may include the charge for the drug-eluting stent in the charge for G0290 and G0291. Alternatively, hospitals may bill separately for the stent using an appropriate Revenue Code, making certain that the charge for the HCPCS procedure code does not include the charge for the stent. Payment for placement of the stents, and the stents themselves, will be made under APC 0656.

HCPCS Code	SI	APC	Short Descriptor	Long Descriptor	Payment Amount	Minimum Unadjusted Copayment
G0290	T	0656	Drug-eluting stents, single	Transcatheter placement of a drug-eluting intracoronary stent(s), percutaneous, with or without other therapeutic intervention, any method; single vessel	$5,045.69	$1,009.14
G0291	T	0656	Drug-eluting stents, each add	Transcatheter placement of a drug-eluting intracoronary stent(s), percutaneous, with or without other therapeutic intervention, any method; each additional vessel	$5,045.69	$1,009.14

For services furnished in an outpatient setting prior to July 1, 2003

Hospitals should continue to bill for the placement of drug-eluting stents using procedure codes 92980 and 92981. Hospitals may include the charge for the drug-eluting stent in the charge for 92980 and 92981. Alternatively, hospitals may bill separately for the stent using an appropriate Revenue Code, making certain that the charge for the HCPCS procedure code does not include the charge for the stent. Payment for placement of the stents, and the stents themselves, will be made under APC 0104.

VII. Coding Instructions for Oxaliplatin (Eloxatin)

These coding instructions only indicate the method by which Eloxatin is paid under the OPPS, if it is covered by the Medicare program. These instructions do not represent a determination that the Medicare program covers the drug. Contractors must determine whether the drug meets all program requirements for coverage; for example, that the drug is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment because it is usually self-administered.

Payment for HCPCS code C9205, Injection, oxaliplatin, per 5 mg, is effective for services furnished on or after July 1, 2003.

For services furnished prior to July 1, 2003

Instruct hospitals to use HCPCS code J3490 (Unclassified drugs) to bill for Eloxatin furnished to a beneficiary in the hospital outpatient setting. Although no separate payment is allowed under the OPPS for a drug billed with HCPCS J3490, charges associated with J3490 are split proportionally among all the other payable APCs on the claim and are added to the original charges for those other APCs. The resulting charges are converted to cost and used in determining whether the threshold for outlier payment is met. If the outlier threshold is met, claims will generate an outlier payment in addition to APC payments.

For services furnished on or after July 1, 2003

Instruct hospitals to bill for Eloxatin using HCPCS code C9205, Injection, oxaliplatin, per 5 mg, to allow a transitional pass-through payment under the OPPS, as follows:

HCPCS Code	SI	APC	Short Descriptor	Long Descriptor	Payment Amount	Minimum Unadjusted Copayment
C9205	G	9205	Oxaliplatin	Injection, oxaliplatin, per 5 mg	$96.46	$14.12

VIII. Minimum Unadjusted Copayment Amount for APC 0235, Level I Posterior Segment Eye Procedures

In the February 10, 2003 Correction Notice to the November 1, 2002 Final Rule and in the April 2003 Update Program Memorandum (A-03-020) we changed the Minimum Unadjusted Copayment amount for APC 0235 to $72.04. This was incorrect. The correct Minimum Unadjusted Copayment amount for APC 0235 is $52.04. You do not have to search claims to perform adjustments, however, if a claim is brought to your attention, it should be adjusted.

IX. Billing Instructions for A9518, Supply of Radiopharmaceutical Therapeutic Imaging Agent, I-131 Sodium Iodide Solution

In the April 1, 2003 OPPS update, the dosage descriptor for A9518 (Supply of radiopharmaceutical therapeutic imaging agent, I-131 sodium iodide solution) was changed from per millicurie (mCi) to per microcurie (uCi). Coding per microcurie may be problematic for some hospital chargemasters in that there may be insufficient coding space to accommodate a large number of units. Under these circumstances, instruct hospitals to break down the number of units and bill for A9518 on multiple lines.

X. Payment Amount for J3487, Inj, Zoledronic Acid, per 1 mg

In Section II.B. of the April 2003 Update Program Memorandum (A-03-020), we incorrectly stated that the Payment Amount for J3487, Inj, zoledronic acid, per 1 mg, is $203.49. The correct Payment Amount for J3487, Inj, zoledronic acid, per 1 mg, is $203.39. This error was a typographical error in the Program Memorandum only and requires no changes to the OCE or PRICER.

Provider Notification:

Post a notice on your Web site within two weeks of receiving this PM, regarding this information, and include it in your next regularly scheduled bulletin. If you have electronic bulletin boards or listservs that are used to communicate with your provider community, post this message to your providers using that facility.

The ***effective date*** for this PM is July 1, 2003.

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

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2004.

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