

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1004</b>	<b>Date: JULY 21, 2006</b>
	<b>Change Request 5127</b>

**Subject: Non-Application of Deductible for Colorectal Cancer Screening Tests**

**I. SUMMARY OF CHANGES:** This instruction requires contractors to waive the annual Part B deductible for colorectal cancer screening tests furnished on or after January 1, 2007 as directed by Section 5113 of the Deficit Reduction Act of 2005.

**New / Revised Material**

**Effective Date: January 1, 2007**

**Implementation Date: January 2, 2007**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED

<b>R/N/D</b>	<b>CHAPTER/SECTION/SUBSECTION/TITLE</b>
<b>R</b>	18/60.1/Payment

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**Business Requirements**

**Manual Instruction**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment - Business Requirements

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**SUBJECT: Non-Application of Deductible for Colorectal Cancer Screening Tests**

## I. GENERAL INFORMATION

**A. Background:** Currently the annual Part B deductible applies to colorectal cancer screening tests, HCPCS codes G0104, G0105, G0106, G0120, and G0121. Section 5113 of the Deficit Reduction Act (DRA) of 2005 amends Section 1833(b) of the Social Security Act by eliminating the requirement of the annual Part B deductible for colorectal cancer screening tests effective January 1, 2007. This instruction requires contractors to waive the annual Part B deductible for colorectal cancer screening tests furnished on or after January 1, 2007.

**B. Policy:** Section 5113 of the DRA of 2005 waives the requirement of annual Part B deductible for colorectal cancer screening tests furnished on or after January 1, 2007.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*  
*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5127.1	Contractors shall instruct providers via MLN Matters Article, that the annual Part B deductible for colorectal cancer screening tests listed below will not apply for services furnished on or after January 1, 2007: <ul style="list-style-type: none"> <li>• G0104</li> <li>• G0105</li> <li>• G0106</li> <li>• G0120</li> <li>• G0121</li> </ul>	X		X						
5127.2	Carriers and FISS shall waive the annual Part B deductible for the following colorectal cancer screening tests effective January 1, 2007: <ul style="list-style-type: none"> <li>• G0104</li> </ul>			X	X				OPPS/OCE	

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	<ul style="list-style-type: none"> <li>• G0105</li> <li>• G0106</li> <li>• G0120</li> <li>• G0121</li> </ul>								

### III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
5127.3	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles">www.cms.hhs.gov/MLNMattersArticles</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X					

### IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2007</p> <p><b>Implementation Date:</b> January 2, 2007</p> <p><b>Pre-Implementation Contact(s):</b> Bill Ruiz 410-786-9283 <a href="mailto:william.ruiz@cms.hhs.gov">william.ruiz@cms.hhs.gov</a> (FI) and April Billingsley 410-786-0140 <a href="mailto:april.billingsley@cms.hhs.gov">april.billingsley@cms.hhs.gov</a> (Carriers)</p> <p><b>Post-Implementation Contact(s):</b> Appropriate RO</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</b></p>
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## 60.1 - Payment

*(Rev. 1004, Issued: 07-21-06, Effective: 01-01-07, Implementation: 01-02-07)*

Payment (carrier and FI) is under the MPFS except as follows:

- Fecal occult blood tests (G0107 and G0328) are paid under the clinical diagnostic lab fee schedule except reasonable cost is paid to CAHs when submitted on TOB 85X. *Deductible and coinsurance do not apply for these tests.* See section A below for payment to Maryland waiver on TOB 13X. Payment from all hospitals for non-patient laboratory specimens on TOB 14X will be based on the clinical diagnostic fee schedule, including CAHs and Maryland waiver hospitals.
- Flexible sigmoidoscopy (code G0104) is paid under OPFS for hospital outpatient departments and on a reasonable cost basis for CAHs; or current payment methodologies for hospitals not subject to OPFS.
- Colonoscopy (G0105 *and G0121*) and barium enemas (G0106 and G0120) are paid under OPFS for hospital outpatient departments and on a reasonable costs basis for CAHs or current payment methodologies for hospitals not subject to OPFS. Also, colonoscopies may be done in an Ambulatory Surgical Center (ASC) and when done in an ASC the ASC rate applies. The ASC rate is the same for diagnostic and screening colonoscopies.

The following screening codes must be paid at rates consistent with the diagnostic codes indicated.

Screening Code	Diagnostic Code
G0104	45330
G0105 and G0121	45378
G0106	74280
G0120	74280

*Prior to January 1, 2007, deductible and coinsurance apply to the codes listed in the chart above. Beginning with services provided on or after January 1, 2007, Section 5113 of the Deficit Reduction Act of 2005 waives the requirement of the annual Part B deductible for these services. Coinsurance still applies.*

### A. Special Payment Instructions for TOB 13X Maryland Waiver Hospitals

For hospitals in Maryland under the jurisdiction of the Health Services Cost Review Commission, screening colorectal services HCPCS codes G0104, G0105, G0106, G0107, G0120, G0121 and G0328 are paid according to the terms of the waiver, that is 94% of submitted charges minus any unmet existing deductible, co-insurance and non-covered charges. Maryland Hospitals bill TOB 13X for outpatient colorectal cancer screenings.

**B. Special Payment Instructions for Non-Patient Laboratory Specimen (TOB 14X) for all hospitals**

Payment for colorectal cancer screenings (G0107 and G0328) to a hospital for a non-patient laboratory specimen (TOB 14X), is the lesser of the actual charge, the fee schedule amount, or the National Limitation Amount (NLA), (including CAHs and Maryland Waiver hospitals). Part B deductible and coinsurance do not apply.