CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 561 Date: MAY 13, 2005

CHANGE REQUEST 3846

SUBJECT: New April 2005 Quarterly ASP Medicare Part B Drug Pricing File and Revisions to January 2005 Quarterly ASP Medicare Part B Drug Pricing File

I. SUMMARY OF CHANGES: This CR revises the payment allowance limits in the January 2005 and the April 2005 drug pricing files.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: April 1, 2005 IMPLEMENTATION DATE: July 5, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)
(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING: No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
	One-Time Notification
X	Recurring Update Notification

^{*}Unless otherwise specified, the effective date is the date of service.

Attachment – Recurring Update Notification

 Pub. 100-04
 Transmittal: 561
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SUBJECT: New April 2005 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File and Revisions to January 2005 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File

I. GENERAL INFORMATION

- **A. Background:** Section 303 of the MMA revises the payment methodology for Part B covered drugs and biologicals that are not paid on a cost or prospective payment basis. Per MMA, beginning January 1, 2005, drugs and biologicals not paid on a cost or prospective payment basis will be paid based on the new ASP methodology. The ASP payment methodology is based on quarterly data submitted to CMS by manufacturers. CMS will supply contractors with the ASP drug pricing files for Medicare part B drugs on a quarterly basis.
- **B. Policy:** Beginning January 1, 2005, the payment allowance limits for Medicare Part B drugs and biologicals that are not paid on a cost or prospective payment basis are 106 percent of the ASP. CMS will update the payment allowance limits quarterly. There are exceptions to this general rule as summarized below.
- (1) The payment allowance limits for blood and blood products, with certain exceptions like blood clotting factors, are determined in the same manner the payment allowance limits were determined on October 1, 2003. Specifically, the payment allowance limits for blood and blood products are 95 percent of the average wholesale price (AWP) as reflected in the published compendia. The payment allowance limits will be updated on a quarterly basis.
- (2) The payment allowance limits for infusion drugs furnished through a covered item of durable medical equipment on or after January 1, 2005, will continue to be 95 percent of the AWP reflected in the published compendia as of October 1, 2003, regardless of whether or not the durable medical equipment is implanted. The payment allowance limits will not be updated in 2005. The payment allowance limits for infusion drugs furnished through a covered item of durable medical equipment that were not listed in the published compendia as of October 1, 2003, (i.e., new drugs) are 95 percent of the first published AWP.
- (3) The payment allowance limits for influenza, pneumococcal and hepatitis B vaccines are 95 percent of the AWP as reflected in the published compendia. The payment allowance limits will be updated on a quarterly basis.
- (4) The payment allowance limits for drugs, other than new drugs, not included in the ASP Medicare Part B Drug Pricing File or Not Otherwise Classified (NOC) Pricing File are based on the published wholesale acquisition cost (WAC) or invoice pricing. In determining the payment limit based on WAC, the contractors follow the methodology specified in Chapter 17, Drugs and Biologicals, of the Medicare Claims Processing Internet Only Manual for calculating the Average Wholesale Price (AWP) but substitute WAC for AWP. The payment limit is 100 percent of the lesser of the lowest brand or median generic WAC. At the contractors' discretion, contractors may contact CMS to obtain payment limits for

drugs not included in the quarterly ASP or NOC files or otherwise made available by CMS on the CMS Web site. If the payment limit is available from CMS, contractors will substitute CMS-provided payment limits for pricing based on WAC or invoice pricing. CMS will provide the payment limits either directly to the requesting contractor or via posting an MS Excel file on the CMS Web site.

(5) The payment allowance limits for new drugs and biologicals not included in the ASP Medicare Part B Drug Pricing File or Not Otherwise Classified (NOC) Pricing File are based on 106 percent of the WAC. This policy applies only to new drugs that were first sold on or after January 1, 2005.

Note that the absence or presence of a HCPCS code and its associated payment limit in the payment files does not indicate Medicare coverage of the drug. Similarly, the inclusion of a payment limit within a specific column does not indicate Medicare coverage of the drug in that specific category. The local Medicare contractor processing the claim shall make these determinations.

The 1Q05 payment allowance limits for the codes indicated in Table 1 below have been revised. The revised payment limits in Table 1 apply to dates of service on or after January 1, 2005. The 2Q05 payment allowance limits for the codes indicated in Table 2 below have been revised. The revised payment limits in Table 2 apply to dates of service on or after April 1, 2005.

Table 1

HCPCS	Short Description	HCPCS Code	1Q05	1Q05	1Q05 Vaccine
		Dosage	Payment	Independent	Limit
			Limit	ESRD Limit	
90371	Hep B ig, im	1 ML	\$115.878	\$115.878	
J2790	Rho d immune globulin, inj	300 MCG	\$101.733	\$101.733	
J2792	Rho (D) immune globulin, sd	100 IU	\$13.101	\$13.101	
Q0187	NovoSeven	Per 1.2 MG	\$1,211.050	\$1,211.050	

Table 2

HCPCS	Short Description	HCPCS	2Q05	2Q05	2Q05	2Q05
		Code	Payment	Independent	Vaccine	Blood Limit
		Dosage	Limit	ESRD Limit	Limit	
90747	Hep B vacc, ill pat 4 dose im	40 MCG	\$113.915	\$113.915	\$113.915	
J0135	Adalimumab injection	20 MG	\$294.632	\$294.632		
J0287	Amphotericin b lipid complex	10 MG	\$11.724	\$11.724		
J0725		1000	\$2.976	\$2.976		
	Chorionic gonadotropin	UNITS				
J2597	Inj desmopressin acetate	1 MCG	\$2.493	\$2.493		
J7190	Factor viii	1 IU	\$0.641	\$0.641		
J7192	Factor viii recombinant	1 IU	\$1.063	\$1.063		
J7193	Factor IX		\$0.882	\$0.882		
	non-recombinant	1 IU				
J7194	Factor ix complex	1 IU	\$0.650	\$0.650		
J7195	Factor IX recombinant	1 IU	\$0.982	\$0.982		
J7197	Antithrombin iii injection	1 IU	\$1.543	\$1.543		

J7198	Anti-inhibitor	1 IU	\$1.241	\$1.241	
J7344		1 SQ	\$52.777	\$52.777	
	Nonmetabolic active tissue	CM			
J9098	Cytarabine liposome	10 MG	\$359.359	\$359.359	
J9245	Inj melphalan hydrochl	50 MG	\$513.694	\$513.694	
J9266	Pegaspargase		\$1499.306	\$1499.306	
	single dose vial	1 EA			
P9041	Albumin (human),5%	50 ML	\$14.545	\$14.545	\$14.545
P9043	Plasma protein fraction, 5%	50 ML	\$14.545	\$14.545	\$14.545
P9046	Albumin (human), 25%	20 ML	\$14.545	\$14.545	\$14.545
P9048	Plasma protein fraction, 5%	250 ML	\$29.099	\$29.099	\$29.099
Q0187	NovoSeven	Per 1.2	\$1,228.43	\$1,228.438	
		MG	8		
Q2002	Elliotts b solution per ml	1ML	\$3.350	\$3.350	
Q2005	Corticorelin ovine triflutat	1 EA	\$379.067	\$379.067	
Q2012	Pegademase bovine	25 IU	\$158.048	\$158.048	
Q2018	Urofollitropin, 75 iu	75 IU	\$43.865	\$43.865	
Q9941	IVIG lyophil	1 G	\$38.735	\$38.735	
Q9942	IVIG lyophil	10 MG	\$0.387	\$0.387	
Q9943	IVIG non-lyophil	1 G	\$56.221	\$56.221	
Q9944	IVIG non-lyophil	10 MG	\$0.562	\$0.562	
Q9954	Oral MR contrast	100 ML	\$8.844	\$8.844	

Please note that J2910 is no longer included in the April 2005 pricing file.

The revised payment limits in this notification supersede the payment limits for these codes in any publication published prior to this document. Note that the absence or presence of a HCPCS code and its associated payment limit does not indicate Medicare coverage of the drug or biological. Similarly, the inclusion of a payment limit within a specific column does not indicate Medicare coverage of the drug in that specific category. The local Medicare contractor processing the claim shall make these determinations.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

[&]quot;Should" denotes an optional requirement

Requirement	Requirements	Responsibility ("X" indicates the							
Number		co	lum	ns 1	that	apply)			
		F R C D Shared System Other							Other
		I	Н	a	M	Maintair	ners		
			Н	r	E	F M	V	С	
			Ι	r	R	I C	M	W	
				i	С	SS	S	F	
				е		S			
				r					

Requirement Requirements Number		Responsibility ("X" indicates the columns that apply) F R C D Shared System Other								
		F R I H				Sha	red System Other Intainers			Other
			H I	r r i e r	E R C	F I S	M C S	V M S		
3846.1	The new April 2005 ASP drug pricing files will contain three decimal places in the currency fields. For further information on the April 2005 ASP data format, please refer to CR 3436, BR#3436.4	X	X	X	X	X	X	X		
	The ASP drug pricing files for Medicare Part B drugs will be available via the CMS Data Center (CDC).									
	Contractors shall download the ASP 2005 ASP drug pricing file through the CDC upon receipt Final File: MU00.@BF12390.ASP.CY05APRD.V0407									
3846.2	Contractors shall use the new April 2005 ASP drug pricing file to pay for Medicare Part B drugs effective April 1, 2005. This file shall be used for dates of service from April 1, 2005 through June 30, 2005.	X	X	X	X	X	X	X		
3846.3	The ASP pricing file will contain the 106% ASP based on payment allowance limits. Therefore, no additional payment calculation is required by the Medicare contractors.	X	X	X	X	X	X	X		
3846.4	For any drug or biological not listed in the ASP drug pricing file, contractors shall determine the payment allowance limits in accordance with the policies described in transmittals CR 3539 dated October 29, 2004 and CR 3232, dated December 16, 2004 (corrected). FIs shall seek payment allowances from their local carrier.	X	X	X	X	X	X	X		
3846.5	At the contractors' discretion, contractors may contact CMS to obtain payment limits for drugs not included in the quarterly ASP or NOC files or otherwise made available by CMS on the CMS Web site. If the payment limit is available from CMS, contractors shall substitute CMS-provided payment limits for pricing based on WAC or invoice pricing.	X	X	X	X	X	X	X		

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Sha			С	Other
	Contractors shall contact CMS via E-mail at Sec303ASPdata@cms.hhs.gov . Contractors shall include "Pricing Request" in the subject line.									
3846.6	Contractors shall use the new April 2005 ASP drug pricing file for (1) those claims where the contractors are asked to retroactively adjust claims processed with the original April 2005 file and (2) those claims with dates of service on or after April 1, 2005 and before July 1, 2005 that are processed after July 4, 2005. Contractors shall not search and adjust claims that have already been processed unless brought to their attention.	X	X	X	X	X	X	X		
3846.7	Contractors shall overlay the old April 2005 file with the new April 2005 file.	X	X	X	X	X	X	X		
3846.8	For any drug or biological for which a contractor calculates a payment allowance limit, the contractor shall forward the drug name, dosage, payment allowance limit, and National Drug Code (if available) to CMS for inclusion in the next quarterly update. Forward this information to MBaldo@cms.hhs.gov.	X	X	X	X	X	X	X		

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)							
		F I	R H H I	C a r r	D M E R	Shared System Other Maintainers F M V C			
				i e r	С	I C M W S S S F S			

Requirement Number	Requirements					ty (" t app		indi	cate	es the
		FI	R H H I	C a r r i e r	D M E R C		med Sintain M C S	Systemers V M S	C W F	Other
3846.9	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn 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 Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	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

Effective Date*: April 1, 2005

Implementation Date: July 5, 2005

Pre-Implementation Contact(s): Angela Mason, amason@cms.hhs.gov

Post-Implementation Contact(s): Appropriate Regional Office

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

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