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# Program Memorandum Intermediaries

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

Transmittal A-03-035

Date: MAY 2, 2003

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## CHANGE REQUEST 2614

**SUBJECT: Reporting of Revenue Codes Under the Outpatient Prospective Payment System (OPPS)**

This Program Memorandum (PM) is to identify proper revenue codes for the reporting of medical devices that have been granted pass-through status and for packaged services. It also removes revenue codes 0274 and 0290 from the list of revenue codes to be reported for these items.

### **Appropriate Revenue Codes to Report Medical Devices That Have Been Granted Pass-Through Status**

Instruct your hospitals to use an appropriate HCPCS code and one of the following revenue codes, 0272, 0275, 0276, 0278, 0279, 0280, 0289 or 0624 to bill implantable devices that have been granted pass-through status under the OPPS. Devices eligible for pass-through payment, as designated by payment status indicator "H", should not be reported utilizing any other revenue code series or sub-categories. Instruct your hospitals to report implantable orthotic and prosthetic devices and implantable durable medical equipment (DME) under another revenue code such as 0278 – *other implants*. Hospitals are not to use revenue codes 0274 or 0290 to report implantable orthotic and prosthetic devices or implantable DME. Similar requirements apply to reporting revenue codes for non-pass-through devices. See Section XXII D of PM Transmittal A-02-129, Change Request 2503, dated January 3, 2003, for these requirements.

### **Packaged Revenue Codes**

The following revenue codes when billed under OPPS without HCPCS codes are packaged services for which no separate payment is made. However, the cost of these services is included in the transitional outpatient payment (TOP) and outlier calculations. The revenue codes for packaged services are: 0250, 0251, 0252, 0254, 0255, 0257, 0258, 0259, 0260, 0262, 0263, 0264, 0269, 0270, 0271, 0272, 0275, 0276, 0278, 0279, 0280, 0289, 0370, 0371, 0372, 0379, 0390, 0399, 0560, 0569, 0621, 0622, 0624, 0630, 0631, 0632, 0633, 0637, 0700, 0709, 0710, 0719, 0720, 0721, 0762, 0810, 0819 and 0942.

Any other revenue codes that are billable on a hospital outpatient claim must contain a HCPCS code in order to assure payment under OPPS. Return to provider (RTP), claims which contain revenue codes that require a HCPCS code when no HCPCS code is shown on the line.

### **Clarification Regarding Revenue Codes 0274 and 0290**

As stated above, revenue codes 0274 and 0290 are no longer acceptable revenue codes for reporting implantable orthotic and prosthetic devices and implantable DME furnished in the hospital outpatient setting by a hospital that is subject to the OPPS. When furnished by an OPPS hospital, implantable orthotic and prosthetic devices and implantable DME are subject to the OPPS and must be reported under another revenue code such as 0278 – *other implants*.

Non-implantable orthotic and prosthetic devices furnished by an OPPS hospital or any other hospital are billed to you and paid under the Durable Medical Equipment, Prosthetic Orthotic and Supply (DMEPOS) fee schedule, and reported under revenue code 0274 with the appropriate HCPCS code.

Non-implantable DME furnished by an OPPS hospital or any other hospital is billed to the DME regional carrier (DMERC) on Form CMS-1500 and paid under the DMEPOS fee schedule.

### **Clarification of HCPCS Code to Revenue Code Reporting**

Generally, CMS does not instruct hospitals on the assignment of HCPCS codes to revenue codes for services provided under OPPS since hospitals' assignment of cost vary. Where explicit instructions are not provided, advise your hospitals to report their charges under the revenue code that will result in the charges being assigned to the same cost center to which the cost of those services are assigned in the cost report.

### **Provider Education**

Notify your providers of the information in this PM in your next regularly scheduled bulletin or newsletter and update your Web site with this information within two weeks of receipt of this PM.

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

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

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after September 30, 2004.**

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