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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 1623 | Date: OCTOBER 31, 2008 |
| | Change Request 6153 |

SUBJECT: Influenza Vaccine and the Pneumococcal Vaccine Payment Allowances Based on 95 Percent of the Average Wholesale Price (AWP)

I. SUMMARY OF CHANGES: This annually Recurring Update Notification (RUN) provides the payment allowances for influenza and pneumococcal vaccines when payment is based on 95 percent of the AWP. The attached RUN applies to Chapter 17, section 20.5.9 of the IOM.

New / Revised Material

Effective Date: September 1, 2008

Implementation Date: No later than December 1, 2008

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-*Only One Per Row.*

| | |
|-------|--|
| R/N/D | Chapter / Section / Subsection / Title |
| N/A | |

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

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

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

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

Attachment – Recurring Update Notification

| | | | |
|-------------|-------------------|------------------------|----------------------|
| Pub. 100-04 | Transmittal: 1623 | Date: October 31, 2008 | Change Request: 6153 |
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SUBJECT: Influenza Vaccine and the Pneumococcal Vaccine Payment Allowances Based on 95 Percent of the Average Wholesale Price (AWP)

Effective Date: September 1, 2008

Implementation Date: No later than December 1, 2008

I. GENERAL INFORMATION

A. Background:

This Recurring Update Notification provides the payment allowances for the following influenza virus vaccines: CPT codes 90655, 90656, 90657, 90658, and 90660 as well as the pneumococcal vaccines: CPT codes 90732 and 90669, when payment is based on 95 percent of the AWP. The payment allowances for influenza vaccines are updated on an annual basis effective September 1 of each year. The payment allowances for pneumococcal vaccines are updated on a quarterly basis.

The Medicare Part B payment allowance in these situations for CPT 90655 is \$16.879, for CPT 90656 is \$18.198, for CPT 90657 is \$6.609, and for CPT 90658 is \$13.218, effective September 1, 2008.

CPT 90660 (FluMist, a nasal influenza vaccine) may be covered if the local claims processing contractor determines its use is medically reasonable and necessary for the beneficiary. When payment is based on 95 percent of the AWP, the Medicare Part B payment allowance for CPT 90660 is \$22.316, effective September 1, 2008.

The Medicare Part B payment allowance for the pneumococcal vaccine CPT code 90732 is \$32.703, and for CPT code 90669 is \$78.803. The payment allowances for the pneumococcal vaccines are updated via the Quarterly Average Sales Price (ASP) Drug Pricing Files.

B. Policy:

The Medicare Part B payment allowance limits for influenza and pneumococcal vaccines are 95 percent of the AWP as reflected in the published compendia except where the vaccine is furnished in a hospital outpatient department, Rural Health Clinic (RHC), or Federally Qualified Health Center (FQHC). Where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC, payment for the vaccine is based on reasonable cost.

Annual Part B deductible and coinsurance amounts do not apply. All physicians, non-physician practitioners and suppliers who administer the influenza virus vaccination and the pneumococcal vaccination must take assignment on the claim for the vaccine.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

| Number | Requirement | Responsibility (place an "X" in each applicable column) |
|--------|-------------|---|
|--------|-------------|---|

| | | A / B | D M E | F I | C A R R I E R | R H H I | Shared-System Maintainers | | | | OTHER |
|--------|---|-------------|-------------|--------|---------------------------------|------------------|---------------------------|-------------|-------------|-------------|-------|
| | | | | | | | F I S S | M C S | V M S | C W F | |
| 6153.1 | Effective September 1, 2008, the Medicare Part B payment allowance for CPT 90655 is \$16.879, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC. | X | | X | X | | | | | | |
| 6153.2 | Effective September 1, 2008, the Medicare Part B payment allowance for CPT 90656 is \$18.198, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC. | X | | X | X | | | | | | |
| 6153.3 | Effective September 1, 2008, the Medicare Part B payment allowance for CPT 90657 is \$6.609, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC. | X | | X | X | | | | | | |
| 6153.4 | Effective September 1, 2008, the Medicare Part B payment allowance for CPT 90658 is \$13.218, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC. | X | | X | X | | | | | | |
| 6153.5 | Contractors shall cover CPT 90660 if its use is determined to be medically reasonable and necessary for the beneficiary. | X | | X | X | | | | | | |
| 6153.6 | Effective September 1, 2008, the Medicare Part B payment allowance for CPT 90660 is \$22.316, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC. | X | | X | X | | | | | | |
| 6153.7 | Contractors shall not search their files to either retract payment for claims already paid or to retroactively pay claims. However, contractors shall adjust claims brought to their attention. | X | | X | X | | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|--|---|-------------|--------|---------------------------------|------------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| 6153.8 | A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ 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 one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. 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. | X | | X | X | | | | | | |

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

| X-Ref Requirement Number | Recommendations or other supporting information: |
|--------------------------|--|
| | |

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Cheryl Gilbreath, (410) 786-5919, Cheryl.Gilbreath@cms.hhs.gov

Post-Implementation Contact(s): Cheryl Gilbreath, (410) 786-5919, Cheryl.Gilbreath@cms.hhs.gov

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs)* use only one of the following statements:

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

Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.