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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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

Transmittal 119

Date: MARCH 15, 2004

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CHANGE REQUEST 3161

**I. SUMMARY OF CHANGES:** This one time notification contains pricing information for those drugs exempted from the default 85 percent used in the general calculation for determining the payment limits for Medicare Part B covered drugs and biologicals not paid on a cost or prospective payment basis.

It also includes a list of the HCPCS drug codes exempted from the default 85 percent and the GAO/OIG studies used in the general calculation for determining the payment limits for Medicare Part B covered drugs and biologicals not paid on a cost or prospective payment basis.

**NEW/REVISED MATERIAL - EFFECTIVE DATE: April 1, 2004**

**\*IMPLEMENTATION DATE: April 5, 2004**

*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:

(R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)

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

### \*III. FUNDING:

These instructions shall be implemented within your current operating budget.

### IV. ATTACHMENTS:

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

\*Medicare contractors only

## Attachment - One-Time Notification

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**SUBJECT: MMA Drug Pricing Update—Drug Exceptions**

### I. GENERAL INFORMATION

#### A. Background:

This instruction provides information on the payment limits for those drugs granted payment changes for the April 1, 2004 through December 31, 2004 time period under the exceptions process described in Section 303(b) of Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA).

#### B. Policy:

From April 1, 2004 through December 31, 2004, the Medicare payment limits for the specific HCPCS drug codes listed below that are not paid on a cost or prospective payment basis apply. The payment limits listed in the table supercede the payment limits published in CR 3105 (Transmittal 75) dated January 30, 2004, only for these particular HCPCS drug codes for this time period. Note that the absence or presence of a HCPCS code and its associated payment limit does not indicate Medicare coverage of the drug.

HCPCS	Short Description	AWP %	2004 Payment Limit for Drugs (other than ESRD drugs separately billed by independent ESRD Facilities and drugs infused through DME)
J2353	Octreotide acetate injection	92	\$77.14
J3240	Thyrotropin injection	90	\$585.65
J3395	Verteporfin injection	91	\$1,404.26
J7320	Hylan G-F 20 injection	83	\$204.03
J7342	Metabolically active tissue	89	\$14.42
J9045	Carboplatin injection	88	\$137.54
J9201	Gemcitabine HCl	87	\$111.33
J9206	Irinotecan injection	85	\$130.24
Q3025	IM inj interferon beta 1-a	89	\$80.22

#### C. Provider Education:

A provider education article related to this instruction will be available at [www.cms.hhs.gov/medlearn/matters](http://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 one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement #	Requirements	Responsibility
3161.1	Contractors shall use the specific payment limits for the particular HCPCS drug codes listed in the table under section B of this instruction. The payment limits in this instruction apply to claims for drugs and biologicals not paid on a cost or prospective payment basis with dates of service on or after April 1, 2004 and on or before December 31, 2004.	Carriers

## III. SUPPORTING INFORMATION & 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

#### IV. SCHEDULE, CONTACTS, AND FUNDING

<b>Effective Date: April 1, 2004</b> <b>Implementation Date: April 5, 2004</b> <b>Pre-Implementation Contact(s): Appropriate Regional Office</b> <b>Post-Implementation Contact(s): Appropriate Regional Office</b>	<b>These instructions shall be implemented within your current operating budget.</b>
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