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Hospital Outpatient Prospective Payment System: July 2023 Update

Related CR Release Date: June 13, 2023

Effective Date: July 1, 2023

Implementation Date: July 3, 2023

MLN Matters Number: MM13210

Related Change Request (CR) Number: CR 13210

Related CR Transmittal Number: R12077CP

Related CR Title: July 2023 Update of the Hospital Outpatient Prospective Payment System (OPPS)

Affected Providers

- Physicians
- Hospitals
- Other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients under the OPPS

Action Needed

Make sure your billing staff knows about payment system updates and new codes for:

- COVID-19
- Drugs, biologicals and radiopharmaceuticals
- Devices
- Other items and services

Background

CR 13210 describes coding changes and policy effective July 1, 2023, for the hospital OPPS. The July 2023 revisions to the related Integrated Outpatient Code Editor (I/OCE) are in CR 13213.

The key points of CR 13210 are:

1. New COVID-19 CPT Vaccines and Administration Codes

The American Medical Association (AMA) issues unique CPT Category I codes in collaboration with CMS and CDC for each COVID-19 vaccine as well as administration codes unique to each such vaccine and dose. These codes are effective upon receiving Emergency Use Authorization

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(EUA) or approval from the FDA.

The CPT Editorial Panel recently approved:

- CPT code 0174A describing the service to administer the booster dose of the "Pfizer-BioNtech COVID-19 Vaccine, Bivalent" (91317) for individuals 6 months through 4 years

We use an effective date of March 14, 2023, for CPT code 0174A. This effective date corresponds with FDA EUA or approvals.

We assign CPT code 0174A to status indicator "S" (Procedure or Service, Not Discounted When Multiple, separate APC assignment) and APC 9398 (Covid-19 Vaccine Admin Dose 2 of 2, Single Dose Product or Additional Dose) in the July 2023 I/OCE update.

Patient cost sharing doesn't apply to the new vaccine administration code.

Table 1 of CR 13210 lists the long descriptors for the codes. These codes, along with their short descriptors, status indicators, and payment rates, where applicable, are also in the July 2023 OPPS Addendum B. See the OPPS Addendum D1 of the CY 2023 OPPS/Ambulatory Surgical Center (ASC) final rule for the latest definitions of the status indicators.

2. CPT Proprietary Laboratory Analyses (PLA) Coding Changes Effective July 1, 2023

The AMA CPT Editorial Panel established 15 new PLA codes, specifically, CPT codes 0387U through 0401U, effective July 1, 2023.

Table 2 of CR 13210 lists the long descriptors and status indicators for the codes. The codes are in the July 2023 I/OCE with an effective date of July 1, 2023.

3. Advanced Diagnostic Laboratory Tests (ADLT) Under the Clinical Lab Fee Schedule (CLFS)

On March 23, 2023, we announced the approval of 1 laboratory test as an ADLT under paragraph (1) of the definition of an ADLT in 42 CFR 414.502. We note that, under the OPPS, tests that get ADLT status under Section 1834A(d)(5)(A) of the Social Security Act have a status indicator A. The laboratory test is in Table 3 of CR 13210.

Based on the ADLT designation, we revised the OPPS status indicator for HCPCS code 0295U to A (Not paid under OPPS. Paid by MACs under a fee schedule or payment system other than OPPS) effective March 23, 2023. Because we made the ADLT designation in March 2023, it was too late to include this change in the April 2023 I/OCE and the April 2023 OPPS update. We're including this change in the July 2023 I/OCE with an effective date of April 1, 2023.

See the latest list of ADLT approved tests under the CLFS. See the OPPS Addendum D1 of the CY 2023 OPPS/ASC final rule for more information on the OPPS status indicator A.

4. New CPT Category III Codes Effective July 1, 2023

The AMA releases CPT Category III codes twice per year: in January, for implementation

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starting the following July, and in July, for implementation starting the following January.

For the July 2023 update, we're implementing 20 new CPT Category III codes released in January 2023 for implementation on July 1, 2023. The status indicators and APC assignments for these codes are shown in Table 4 of CR 13210. CPT codes 0791T through 0810T are in the July 2023 I/OCE, effective July 1, 2023. These codes, along with their short descriptors, status indicators, and payment rates, where applicable, are also in the July 2023 OPPS Addendum B.

5. Fecal Microbiota Procedure or Service

In the CY 2023 OPPS/ASC final rule, we spoke about 3 codes to describe the services associated with fecal microbiota. These codes and descriptors are:

- G0455 – Preparation with instillation of fecal microbiota by any method, including assessment of donor specimen
- 44705 – Preparation of fecal microbiota for instillation, including assessment of donor specimen
- 0780T – Instillation of fecal microbiota suspension via rectal enema into lower gastrointestinal tract

We also stated in the same final rule that the only recognized Medicare code to describe the fecal microbiota service is HCPCS code G0455. This code describes the preparation and instillation of fecal microbiota by any method, including assessment of donor specimen, and doesn't involve the administration of any FDA approved drug. In Table 11 of CR 13210, we're approving the live fecal microbiota item, described by HCPCS code J1440, as an OPPS pass-through drug. With the drug pass-through approval, we're making the following changes to HCPCS codes 0780T and G0455 effective July 1, 2023:

- 0780T– Reassigning the OPPS status indicator from B to S and assigning the code to APC 5734, Level 4 Minor Procedures. Report this administration code with HCPCS code J1440, designated as a pass-through drug. The OPPS payment for CPT code 0780T shows only the administration service and doesn't include the payment for the pass-through drug. We pay for the pass-through drug separately under HCPCS J1440.
- G0455 – Reassigning the OPPS status indicator from Q1 to T and reassigning the code from APC 5301, Level 1 Upper GI Procedures, to APC 5311, Level 1 Lower GI Procedures, to appropriately show current medical practice. This service doesn't involve the administration of any FDA approved drug.

We aren't making any change to the OPPS status indicator for CPT code 44705. This code will continue to have status indicator B to show that another more specific code should be reported under the OPPS. In this case, the appropriate code you report for the fecal microbiota procedure or service is either HCPCS code G0455 or CPT code 44705.

The payment rates and status indicators for the 3 codes are in the July 2023 OPPS Addendum B.

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6. Status Indicator and APC Assignment Corrections for CPT codes 0697T and 0698T Effective April 1, 2023, in the July 2023 I/OCE Update

In the CY 2023 OPPS April Addendum B, we inadvertently assigned:

- CPT code 0697T to APC 5523, Level 3 Imaging without Contrast, with status indicator S
- CPT code 0698T to status indicator N

The quantitative magnetic resonance for analysis of tissue composition, for example, fat, iron, water content, including multiparametric data acquisition, data preparation and transmission, interpretation and report, described by CPT codes 0697T and 0698T was approved for placement in a New Technology APC in March of 2023. It was too late to include the changes in the April 2023 I/OCE Update. We're including the changes in the July 2023 I/OCE Update by re-assigning CPT codes 0697T and 0698T to APC 1511, New Technology – Level 11 ($901 - $1000), with status indicator S, Procedure or Service, Not Discounted When Multiple, retroactive to April 1, 2023. Table 5 of CR 13210 lists the long descriptors, status indicator, and APC for these codes. The payment rates for these codes are in Addendum B of the July 2023 OPPS Update.

7. New HCPCS Code Describing the Endoscopic Sleeve Gastroplasty Service

We're establishing a new HCPCS code, C9784, to describe the endoscopic sleeve gastroplasty procedure. Table 6 of CR 13210 lists the official long descriptor, status indicator, and APC assignment for HCPCS code C9784.

8. New HCPCS Code Describing the Endoscopic Outlet Reduction Service

We're establishing a new HCPCS code, C9785, to describe the endoscopic outlet reduction procedure. Table 7 of CR 13210 lists the official long descriptor, status indicator, and APC assignment for HCPCS code C9785.

9. New HCPCS Code Describing Diagnostic Aid Service for Routine Functional Cardiovascular Assessment Using Echocardiography

We're establishing a new HCPCS code, C9786, to describe the diagnostic aid service for routine functional cardiovascular assessment using echocardiography. Table 8 of CR 13210 lists the official long descriptor, status indicator, and APC assignment for HCPCS code C9786. For information on OPPS status indicators, please refer to OPPS Addendum D1 of the CY 2021 OPPS/ASC final rule for the latest definitions. This code, along with its short descriptor, status indicator, and payment rate, is also listed in the July 2023 Update of the OPPS Addendum B.

10. New HCPCS Code Describing the High-resolution Gastric Electrophysiology Mapping Procedure (GEMS)

CMS is establishing a new HCPCS code, C9787, to describe Gastric Electrophysiology Mapping with Simultaneous (GEMS) patient symptom profiling. Table 9 of CR 13210 lists the official long descriptor, status indicator, and APC assignment for HCPCS code C9787.

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11. Expiring Pass-through Status for 1 Device Category HCPCS Code Effective July 1, 2023

As specified in section 1833(t)(6)(B) of the Social Security Act, categories of devices are eligible for transitional pass-through payments for at least 2, but not more than 3 years under the OPPS. We note that the device category HCPCS code C1748 will remain active, however, we'll include its payment in the primary service.

As a reminder, for OPPS billing, because charges related to packaged services apply to outlier and future rate setting, we advise hospitals to report the device category HCPCS codes on the claim whenever they're provided in the hospital outpatient department setting. It's extremely important that hospitals report all HCPCS codes consistent with their descriptors, CPT and our instructions, and correct coding principles, as well as all charges for all services they provide, whether we pay for the services separately or packaged.

For the entire list of current and historical device category codes created since August 1, 2000, which is the implementation date of the hospital OPPS, see Table 10 of CR 13210, attachment A. This list is also in Chapter 4, Section 60.4.2 of the Medicare Claims Processing Manual.

12. Drugs, Biologicals, and Radiopharmaceuticals

a. New CY 2023 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Receiving Pass-Through Status

We created 6 new HCPCS codes for reporting drugs and biologicals in the hospital outpatient setting, where there haven't previously been specific codes available starting on July 1, 2023. These drugs and biologicals will get drug pass-through status starting July 1, 2023. These HCPCS codes are in Table 11 of CR 13210.

b. Existing HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals Starting Pass-Through Status as of July 1, 2023

Two existing HCPCS codes for certain drugs, biologicals, and radiopharmaceuticals in the outpatient setting will have their pass-through status start on July 1, 2023. These codes are listed in Table 12 of CR 13210. Effective July 1, 2023, the status indicator for these codes is changing to G.

c. Existing HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals with Pass-Through Status Ending on June 30, 2023

Thirteen HCPCS codes for certain drugs, biologicals, and radiopharmaceuticals in the outpatient setting that will have their pass-through status end on June 30, 2023. These codes are listed in Table 13 of CR 13210. Effective July 1, 2023, the status indicator for these codes is changing from G to either K or N.

d. Newly Established HCPCS codes for Drugs, Biologicals, and Radiopharmaceuticals as of April 1, 2023, that Weren't Previously Reported

We established 3 new drug, biological, and radiopharmaceutical HCPCS codes on April 1, 2023. We didn't report these previously. These HCPCS codes are in Table 14 of CR 13210.

e. Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals as of July 1, 2023

We're establishing 59 new drug, biological, and radiopharmaceutical HCPCS codes on July 1, 2023. These HCPCS codes are in Table 15 of CR 13210. We removed HCPCS code J9321 from Table 15 CR since we should've never established this code for the July I/OCE update. We also revised the short descriptor for HCPCS code J9323 in Table 15. We'll make these changes in the October I/OCE update effective July 1, 2023, since it's too late to make these changes in the July I/OCE update.

f. HCPCS Codes for Drug, Biological, and Radiopharmaceutical Deleted as of June 30, 2023

We're deleting 1 drug, biological, and radiopharmaceutical HCPCS code on June 30, 2023. This HCPCS code is in Table 16 of CR 13210.

g. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)

For CY 2023, payment for the majority of pass-through and nonpass-through drugs, biologicals, and therapeutic radiopharmaceuticals is generally made at a single rate of ASP plus 6% (or ASP plus 6 or 8% of the reference product for biosimilars). This provides payment for both the acquisition cost and pharmacy overhead costs of these items. We update payments for drugs and biologicals based on ASPs on a quarterly basis as later quarter ASP submissions become available. Effective July 1, 2023, payment rates for many drugs and biologicals have changed from the values published in the CY 2023 OPPS/ASC final rule with comment period as a result of the new ASP calculations based on sales price submissions from the first quarter of CY 2023. In cases where adjustments to payment rates are necessary, changes to the payment rates will be incorporated in the July 2023 Fiscal Intermediary Standard System (FISS) release. We aren't publishing the updated payment rates in CR 13210. However, the updated payment rates effective July 1, 2023, are in the July 2023 update of the OPPS Addendum A and Addendum B.

h. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals paid based on ASP methodology have payment rates that we correct retroactively. These retroactive corrections typically occur on a quarterly basis. See the list of drugs and biologicals with corrected payments rates. You may resubmit claims affected by adjustments to a previous quarter's payment files.

13. Skin Substitutes

The payment for skin substitute products that don't qualify for pass-through status is packaged into the payment for the associated skin substitute application procedure. For payment packaging purposes, we divide the skin substitute products are divided into 2 groups:

- High cost skin substitute products

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- Low cost skin substitute product

We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless we have pricing data that shows that the cost of the product is above either the mean unit cost of $47 or the per day cost of $837 for CY 2023.

a. Additional New Skin Substitute Products as of April 1, 2023, that Weren't Previously Reported

There were 3 new skin substitute HCPCS codes that were active as of April 1, 2023. These codes are listed in Table 17 of CR 13210.

b. Additional New Skin Substitute Products as of July 1, 2023

There are 12 new skin substitute HCPCS codes that will be active as of July 1, 2023. These codes are in Table 18 of CR 13210.

14. Coverage Determinations

The fact that we assign a drug, device, procedure, or service a HCPCS code and a payment rate under the OPPS doesn't imply coverage by the Medicare program. It only shows how we pay for the product, procedure, or service if covered by the program. MACs decide whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it's reasonable and necessary to treat the patient's condition and whether it's excluded from payment.

More Information

We issued CR 13210 to your MAC as the official instruction for this change.

For more information, find your MAC's website.

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Document History

Date of Change	Description
June 13, 2023	Initial article released.

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