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Related Change Request (CR) #: 4103

Related CR Release Date: October 31, 2005

Effective Date: January 1 and April 1, 2006, as noted in article

Related CR Transmittal #: 736

Implementation Date: April 3, 2006

Clarification and Update to Hospital Billing Instructions and Payment for Epoetin Alfa (EPO) and Darbepoetin Alfa (Aranesp) for Beneficiaries with End Stage Renal Disease (ESRD)

Note: This article was revised to contain web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Hospitals billing Medicare fiscal intermediaries (FIs) for Epoetin Alfa (EPO) and Darbepoetin Alfa (Aranesp) for beneficiaries with End Stage Renal Disease (ESRD)

Provider Action Needed



STOP – Impact to You

This article is based on Change Request (CR) 4103, which clarifies and updates hospital billing instructions and payment for Epoetin Alfa (EPO) and Darbepoetin Alfa (Aranesp) for beneficiaries with ESRD.



CAUTION – What You Need to Know

CR4103 corrects current system problems with the reporting and payment for EPO and Aranesp on inpatient Part B claims. Effective January 1, 2006, hospitals will no longer be required to report the value code 49 when submitting claims for EPO or Aranesp. In addition, when billing EPO under the inpatient Part B benefit on bill type 12x, hospitals will begin using revenue code 0634 for EPO less than 10,000 units and revenue code 0635 for EPO over 10,000 units. Also, effective January 1, 2006, the current codes for EPO (Q4055) and Aranesp (Q4054) are being terminated and replaced by J0886 for EPO and J0882 for Aranesp.



GO – What You Need to Do

See the *Background* section of this article for further details regarding this clarification and update.

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Background

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 3184 (Transmittal 197, dated June 4, 2004) with instructions for emergency hospital outpatient billing of Epoetin Alfa (EPO) and Darbepoetin Alfa (Aranesp). CR3184 included the requirement for hospitals to report:

- Healthcare Common Procedure Coding System (HCPCS) code Q4055 (EPO) with revenue codes 0634 and 0635 for EPO administered to beneficiaries with ESRD in the emergency room setting; and
- Value code 49 with the latest hematocrit reading **taken during the current billing period** for outpatient claims with HCPCS codes Q4054 (Aranesp) and Q4055 (EPO).

Value Code 49

Since that time, the National Uniform Bill Committee (NUBC) has changed the definition of value code 49 to report the following: Value code 49 with the most recent hematocrit reading **taken before the start of the billing period** (effective January 1, 2006).



Note: Since hospitals are not expected to have a reading before the start of their billing period, hospitals will no longer be required to report value code 49 when submitting claims for EPO or Aranesp.

Revenue Codes 0634 and 0635

The CMS *Medicare Benefit Policy Manual 100-2*, Chapter 6, Section 10, provides for the coverage of Epoetin Alfa under the inpatient Part B benefit. Currently, when hospitals bill for HCPCS code Q4055 (EPO) on their inpatient Part B claims (type of bill 12x), it must be reported under the revenue code 0636.

This is contrary to their billing of HCPCS code Q4055 (EPO) on the hospital outpatient claims (type of bill 13x), which requires the use of the revenue codes 0634 and 0635.

Therefore, for consistency (with the implementation of CR4103) when billing HCPCS code J0886 (EPO) under the inpatient Part B benefit on bill type 12x, hospitals will begin using:

- Revenue code 0634 for EPO less than 10,000 units; and
- Revenue code 0635 for EPO over 10,000 units.

Note: The total number of units as a multiple of 1000 units is placed in the units field.

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Hospitals should continue to report HCPCS code Q4054 or J0882, depending on the date of service (Darbepoetin Alfa, Aranesp), under revenue code 0636 for their outpatient and inpatient Part B claims.

CMS is aware of a current problem with the inpatient Part B claims (bill type 12x) containing HCPCS code Q4054 for Aranesp. **The processing of those claims will be permitted with the implementation of CR4103.**

Billing for Beneficiaries with ESRD

Upon implementation of CR4103, the following changes will be applied to hospitals billing EPO and Aranesp for beneficiaries with ESRD:

- Effective for claims with dates of service **on or after January 1, 2004**, hospitals billing for HCPCS code Q4054 or J0882, depending on the date of service and under the inpatient Part B benefit (bill type 12x), will be reimbursed under the same methodology applicable to the outpatient Part B setting using the payment allowance limit for Medicare Part B drugs;
- Effective for claims (bill types 12X, 13X, or 85X) with dates of service **on or after January 1, 2006**, hospitals are no longer required to report the value code 49 when submitting claims with Aranesp and EPO; **and**
- Effective for claims with dates of service **on or after April 1, 2006**, hospitals billing for J0886 (EPO) under the inpatient Part B benefit (bill type 12x), will:
 - Report the charges under the revenue code 0634 for EPO units under 10,000 and revenue code 0635 for EPO units over 10,000;
 - Report the total number of units as a multiple of 1000 units in the units field; and
 - Be reimbursed under the same methodology applicable to the outpatient Part B setting using the payment allowance limit for Medicare Part B drugs.

Note: All other rules for EPO and Aranesp not mentioned in CR 4103 are still applicable.

Implementation

The implementation date for the instruction is April 3, 2006.

To ensure that claims are processed correctly, it is important that hospitals note that:

- When billing for EPO HCPCS J0886 as applicable on bill types 13X and 85X with dates of service from January 1, 2006 through March 31, 2006, to submit those claims on or after April 1, 2006; and

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- To submit claims on bill type 12X containing Q4054 or J0882, as applicable, on or after April 1, 2006. (Timely filing rules for such claims will be bypassed for 6 months following the April 1, 2006, implementation date.)

Additional Information

For complete details, please see the official instruction issued to your intermediary regarding this change. That instruction may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R736CP.pdf> on the CMS web site.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

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