
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 134

Date: JANUARY 13, 2005

CHANGE REQUEST 3695

**SUBJECT: Revisions to January 2005 Quarterly Average Sales Price (ASP)
Medicare Part B Drug Pricing File**

I. SUMMARY OF CHANGES: This One-Time Notification informs Medicare contractors to revise certain Medicare Part B drug payment limits for dates of service on or after January 1, 2005, and on or before March 31, 2005.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: January 1, 2005
IMPLEMENTATION DATE: January 18, 2005

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

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

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

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

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

Attachment – One-Time Notification

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SUBJECT: Revisions to January 2005 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File

I. GENERAL INFORMATION

A. Background: Section 303(c) of the MMA revises the payment methodology for Part B covered drugs that are not paid on a cost or prospective payment basis. Per MMA of 2003, beginning January 1, 2005, drugs and biologicals not paid on a cost or prospective payment basis will be paid based on the new Average Sale Price (ASP) methodology. The ASP payment methodology is based on data submitted to CMS by manufacturers at the 11-digit National Drug Code (NDC) level. Manufacturers are to report timely and accurate ASP data to CMS. CMS uses published drug pricing compendia and other sources to identify the number of billable units per NDC. Through receipt of additional pricing and package size data, CMS has determined that certain payment limits included in the first quarter 2005 (1Q05) Medicare Part B Drug Pricing File need revision.

B. Policy: Section 1847A(b) the Social Security Act specifies that the ASP payment methodology is used to determine the payment allowance limits for drugs and biologicals subject to that methodology. Based on additional data, the 1Q05 payment allowance limit for the codes indicated in the table below have been revised. The revised payment limits apply to dates of service on or after January 1, 2005, and on or before March 31, 2005. The revised payment limits in this notification supercede the payment limits for these codes in any publication published prior to this document. Note that the absence or presence of a HCPCS code and its associated payment limit does not indicate Medicare coverage of the drug or biological. Also note that the 1Q05 payment limit for J3470 is now provided. The revised payment limit for 90747 is based on 95% AWP.

HCPCS	Short Description	HCPCS Code Dosage	1Q05 Payment Limit	1Q05 Independent ESRD Limit
90747	ENGERIX-B	40 MCG	\$113.91	\$113.91
J0835	Inj cosyntropin per 0.25 MG	0.25 MG	\$64.60	\$64.60
J1563	IV immune globulin	1 GRAM	\$56.72	\$56.72
J1564	Immune globulin 10 mg	10 MG	\$0.57	\$0.57
J1655	Tinzaparin sodium injection	1000 IU	\$2.60	\$2.60
J2324	Nesiritide	0.25 MG (revised)	\$73.33	\$73.33
J3315	Triptorelin pamoate	3.75 MG	\$180.93	\$180.93
J3470	Inj hyaluronidase	up to 150 units	\$20.00	\$20.00
J7030	Sodium Chloride	1000 CC	\$0.10	\$0.10
J7350	Injectable human tissue	10 MG	\$4.53	\$4.53

J7611	Albuterol concentrated form	1 MG	\$0.07	\$0.07
J8501	Oral aprepitant	5 MG	\$4.62	\$4.62
J9185	Fludarabine phosphate inj	50 MG	\$272.09	\$272.09
J9214	Intron-A	1 UNIT	\$13.12	\$13.12
Q0179	Zofran	8 MG	\$30.86	\$30.86
Q2014	Geref	0.5 MG	\$8.77	\$8.77

C. Provider Education: A Medlearn Matters provider education article related to this instruction will be available at www.cms.bhs.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. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3695.1	Contractors shall use the specific payment limit for the HCPCS drug codes listed in the table under section B of this instruction.	X	X	X	X		X	X		
3695.2	Contractors shall not search and adjust claims that have already been processed unless brought to their attention.	X	X	X	X		X	X		

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions
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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

<p>Effective Date*: January 1, 2005</p> <p>Implementation Date: January 18, 2005</p> <p>Pre-Implementation Contact(s): Catherine Jansto at 410-786-7762</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
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