

# Program Memorandum Intermediaries

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

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## CHANGE REQUEST 2847

**SUBJECT: Conflicting Policies with Provider Reimbursement Manual 15-1, Section 2771**

**Purpose:** The purpose of this Program Memorandum (PM) is to clarify the policy on how certified transplant centers (CTCs) should bill the costs of acquiring organs.

**Background:** Section 2771 of the Provider Reimbursement Manual 15-1 requires CTCs to establish a standard acquisition charge (SAC) that reflects the average cost associated with acquiring each type of organ. This section also specifies that when a CTC provides an organ to an organ procurement organization (OPO), it must bill its SAC to the OPO. However, it has also come to CMS's attention that the Medicare Intermediary Manual 13-2, §3612, is not completely consistent with §2771 of the Provider Reimbursement Manual 15-1. Section 3612 allows the CTC to bill either the SAC or the departmental charges actually incurred for retrieval services provided to the OPO.

CMS has learned that many CTCs are billing departmental charges to OPOs for organ retrieval services, and that some intermediaries have begun to make adjustments to CTC cost reports when they find that departmental charges, rather than the CTC's SAC, were billed to OPOs.

**Policy:** Due to the recently discovered discrepancy between the two manual sections, we are instructing intermediaries to allow either method of billing (SAC or departmental charges) by a CTC to an OPO for organ retrieval services. Because either billing method is currently allowable, intermediaries are instructed not to make adjustments to the CTC cost reports based on which of these charging methodologies is used. The D-6 will continue to be audited by the intermediaries, but no adjustment will be made if the CTC is billing either the SAC established for the particular organ, or if the CTC is billing the hospital's actual departmental charges for the various services provided to the OPO for retrieval of the organs.

CTCs must still bill the SAC to third party payers, including Medicare, for organs acquired and transplanted. Departmental charges cannot be billed for this purpose.

**Provider Education:** Intermediaries must share the information in this PM with providers through a posting on their Web site within 2 weeks and publish this information in their regularly scheduled bulletin.

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