



## In this Issue:

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*This information is provided as a service to assist hospitals and other providers of blood products and blood services. Providers are responsible for accurately coding and billing for services rendered as appropriate to their situation and payer-specific requirements. Please contact your blood center with any questions pertaining to this newsletter.*

## Final 2006 Medicare Hospital Outpatient Payment Rates Published

On November 10, 2005, the Centers for Medicare and Medicaid Services (CMS) published the calendar year (CY) 2006 Hospital Outpatient Prospective Payment System (OPPS) final rule. The rule finalizes Medicare payment policy updates effective for blood-related services furnished to hospital outpatients beginning on January 1, 2006.

As outlined in the proposed rule, CMS will continue to make separate payments for blood and blood products under the ambulatory payment classification (APC) system. CMS plans to use the same method as last year to establish 2006 APC payments, which involves utilizing past charge data that hospitals have submitted for these products to calculate median costs.

The final rule establishes caps in payment-rate reductions for blood products at 5 percent, rather than the 10 percent cap in the proposed rule. This modification affects 11 P-codes. The table to the right includes final APC payment rates for the top blood products in terms of total number of units billed by all hospitals in 2004. These changes will result in an average percent payment increase for blood and blood product APCs of 12 percent.

As indicated in its OPPS proposed rule, beginning in 2006, CMS will reimburse for IVIG, clotting factors, and most other separately payable drugs and biologicals (except for transfused blood products) based on average sales price (ASP) plus 6 percent instead of average wholesale price (AWP)-based payment, which CMS used in 2005.

HCPCS/ CPT Code	Short Descriptor	Final 2005 APC Payment	Final 2006 APC Payment	Change	Percent Change
36430	Blood transfusion service	\$215.45	\$216.73	\$1.28	1%
P9010	Whole blood for transfusion	\$112.85	\$118.04	\$5.19	5%
P9011	Blood split unit	\$82.81	\$82.59	(\$0.22)	0%
P9012	Cryoprecipitate each unit	\$48.25	\$47.15	(\$1.10)	-2%
P9016	RBC leukocytes reduced	\$165.70	\$163.33	(\$2.37)	-1%
P9017	Plasma 1 donor frz w/in 8 hr	\$63.35	\$70.47	\$7.12	11%
P9019	Platelets, each unit	\$48.17	\$51.55	\$3.38	7%
P9021	Red blood cells unit	\$113.29	\$121.61	\$8.32	7%
P9022	Washed red blood cells unit	\$193.82	\$189.42	(\$4.40)	-2%
P9031	Platelets leukocytes reduced	\$86.39	\$98.41	\$12.02	14%
P9032	Platelets, irradiated	\$88.66	\$86.64	(\$2.02)	-2%
P9033	Platelets leukoreduced Irrad	\$154.24	\$150.74	(\$3.50)	-2%
P9034	Platelets, pheresis	\$437.76	\$434.48	(\$3.28)	-1%
P9035	Platelet pheres leukoreduced	\$473.11	\$493.66	\$20.55	4%
P9036	Platelet pheresis irradiated	\$333.80	\$326.22	(\$7.58)	-2%
P9037	Plate pheres leukoredu Irrad	\$587.39	\$581.64	(\$5.75)	-1%
P9038	RBC Irradiated	\$118.80	\$147.63	\$28.83	24%
P9040	RBC leukoreduced Irradiated	\$205.59	\$218.27	\$12.68	6%
P9041	Albumin (human), 5%, 50ml	\$18.82	\$29.68	\$10.86	58%
P9044	Cryoprecipitatereducedplasma	\$81.50	\$74.60	(\$6.90)	-8%
P9045	Albumin (human), 5%, 250 ml	\$60.54	\$76.81	\$16.27	27%
P9046	Albumin (human), 25%, 20 ml	\$13.01	\$28.80	\$15.79	121%
P9047	Albumin (human), 25%, 50ml	\$52.32	\$65.26	\$12.94	25%
P9051	Blood, Vr, cmv-neg	\$167.72	\$207.95	\$40.23	24%
P9052	Platelets, hla-m, Vr, unit	\$568.17	\$610.14	\$41.97	7%
P9055	Plt, aph/pher, Vr, cmv-neg	\$476.30	\$526.57	\$50.27	11%
P9056	Blood, Vr, Irradiated	\$182.71	\$178.56	(\$4.15)	-2%
P9058	RBC, Vr, cmv-neg, Irrad	\$273.39	\$267.18	(\$6.21)	-2%
P9059	Plasma, frz between 8-24hour	\$74.23	\$74.78	\$0.55	1%

The 2006 OPPS final payment rates in effect for January 1, 2006, as well as future payment updates that occur throughout the year, are available at the following Web page :  
[http://www.cms.hhs.gov/HospitalOutpatientPPS/02\\_Addendums.asp#TopOfPage](http://www.cms.hhs.gov/HospitalOutpatientPPS/02_Addendums.asp#TopOfPage)

## Add-On Payments for IVIG and Clotting Factors and Other Provisions of the 2006 OPSS Final Rule

The OPSS final rule contains several other important provisions affecting coding and payment for blood-related products in 2006.

- CMS indicates in the 2006 OPSS final rule that beginning on January 1, 2006, it will provide hospital outpatient departments with a furnishing fee of \$.146 per unit in addition to ASP plus 6 percent reimbursement for clotting factors. This add-on payment makes clotting factor payment in the hospital outpatient, physician office, hemophilia treatment center, hospital inpatient, hospital outpatient, and home health settings equivalent.

- Similarly, for 2006, hospital outpatient departments will be eligible to receive add-on payments of approximately \$75 for IVIG pre-administration services by reporting G0332 (*Pre-administration-related services for IV infusion of immunoglobulin, per infusion encounter*) once per day for each patient. To receive the \$75 add-on payment, hospitals are instructed to bill G0332 in addition to billing for the appropriate drug-administration service(s) and units of the HCPCS code for the IVIG product infused. The IVIG add-on payment is also available in the physician office setting for 2006.

- Beginning January 1, 2006, hospital outpatient departments will be able to receive \$12.91 in separate payment for new laboratory Current Procedural Terminology (CPT) codes 86923 (*Compatibility test each unit; electronic*) and 86960 (*Volume reduction of blood or blood product, each unit*).

- Hospitals must use new C-codes (C8950-C8955) to bill Medicare for IV infusion and push procedures under OPSS in 2006. The C-codes replace the G-codes that hospitals used on Medicare hospital outpatient claims in 2005.

- To follow up its March 2005 billing guidance for blood-related products (Transmittal 496), CMS indicates in the 2006 OPSS final rule that it will "continue to issue guidance on billing for blood and blood products to provide clarification or additional explanation as needed, based on additional questions and issues that are brought to our attention." CMS also indicates that it does not plan on releasing a hospital blood billing guidance document for the inpatient setting similar to the one it released for the outpatient setting, and instead encourages providers to direct their billing questions to their fiscal intermediaries (FIs).

## New HCPCS Codes for IVIG and Clotting Factors

CMS established several new Healthcare Common Procedure Coding System (HCPCS) codes to describe IVIG and clotting factors, effective January 1, 2006.

- J1566 (*IVIG, lyophilized, e.g., powder, 500 MG*) and J1567 (*IVIG, nonlyophilized, e.g., liquid, 500 MG*) replace IVIG codes Q9941-Q9944, J1563, and J1564, which were previously reported in 1 mg units.

- J7189 (*Factor VIII, antihemophilic factor, recombinant, per 1 mcg*) replaces Q0187, which was previously reported in 1.2 mg units.

- J7188 (*von Willebrand factor complex, human, IU*) replaces Q2022.

The complete 2006 HCPCS update file containing all coding changes can be downloaded from the following Web page : <http://www.cms.hhs.gov/HCPCSReleaseCodeSets/ANHPCS/list.asp#TopOfPage>.

### Did you know...that CMS has a newly redesigned Web site?

On December 15, 2005, CMS launched a redesigned Web site intended to improve upon its accuracy, consistency, and ease of use by all interested stakeholders. The new site also includes an enhanced search engine, powered by Google. Among the new features of the revamped site is the creation of a *Provider Center* section (<http://www.cms.hhs.gov/center/provider.asp>) designed to be a "one-stop shop" for providers to obtain the most up-to-date information related to Medicare coverage, coding, and payment policies. It may be necessary to update the links to the agency's Web site that you have used in the past to obtain pertinent information.