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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 Changes to the CY 2008 Hospital Outpatient Prospective Payment System

The Centers for Medicare and Medicaid Services (CMS) published the final changes to the CY 2008 Medicare Hospital Outpatient Prospective Payment System (OPPS) on November 1, 2007. The CY 2008 OPPS update includes a slight payment increase for most blood products. The final payment rates for 19 of the 34 blood and blood product ambulatory payment classifications (APCs) will be increasing in 2008 as shown in the table to the right.

In the CY 2007 OPPS final rule, CMS established payment rates for blood and blood products by using simulated, hospital-specific cost-to-charge ratios (CCRs) to convert hospital line item charges for blood and blood products into costs. CMS will continue to use the median costs derived from this methodology as the basis for the CY 2008 payments for blood and blood products.

CMS also is recognizing the bone marrow/stem cell laboratory processing Current Procedural Terminology (CPT) codes for the first time. CMS plans to revisit APC placement for the individual codes once sufficient claims data have been collected. It is critical that providers use these newly recognized codes so that CMS can obtain accurate cost data to make appropriate payment adjustments in future years.

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HCPCS/ CPT Code	Short Descriptor	2007 APC	2008 Proposed APC	2007 APC Payment	Proposed 2008 APC Payment	Percent Change
P9010	Whole blood for transfusion	0950	0950	\$131.98	\$282.63	114.15%
P9011	Blood split unit	0967	0967	\$137.22	\$135.26	-1.43%
P9012	Cryoprecipitate each unit	0952	0952	\$48.59	\$43.59	-10.29%
P9016	RBC leukocytes reduced	0954	0954	\$175.74	\$188.47	7.24%
P9017	Plasma 1 donor frz w/in 8 hr	9508	9508	\$70.21	\$69.44	-1.10%
P9019	Platelets, each unit	0957	0957	\$58.95	\$69.00	17.05%
P9020	Platelet rich plasma unit	0958	0958	\$209.29	\$363.50	73.68%
P9021	Red blood cells unit	0959	0959	\$129.53	\$129.57	0.03%
P9022	Washed red blood cells unit	0960	0960	\$211.03	\$268.10	27.04%
P9023	Frozen plasma, pooled, sd	0967	0967	\$57.45	\$73.87	28.58%
P9031	Platelets leukocytes reduced	1013	1013	\$95.08	\$109.60	15.27%
P9032	Platelets, irradiated	9500	9500	\$129.57	\$132.11	1.96%
P9033	Platelets leukoreduced irrad	0968	0968	\$125.33	\$129.17	3.06%
P9034	Platelets, pheresis	9507	9507	\$452.93	\$448.44	-0.99%
P9035	Platelet pheresis leukoreduced	9501	9501	\$488.74	\$509.25	4.20%
P9036	Platelet pheresis irradiated	9502	9502	\$418.52	\$446.33	6.64%
P9037	Plate pheresis leukoredu irrad	1019	1019	\$617.40	\$639.53	3.58%
P9038	RBC irradiated	9505	9505	\$197.00	\$211.84	7.53%
P9039	RBC delycerolized	9504	9504	\$358.31	\$347.23	-3.09%
P9040	RBC leukoreduced irradiated	0969	0969	\$217.56	\$243.25	11.81%
P9043	Plasma protein fract, 5%, 50mL	0956	0956	\$51.26	\$93.88	83.14%
P9044	Cryoprecipitate reduced plasma	1009	1009	\$82.39	\$83.64	1.52%
P9048	Plasma protein fract, 5%, 250mL	0966	0966	\$238.16	\$215.23	-9.63%
P9050	Granulocytes, pheresis unit	9506	9506	\$750.36	\$1,387.55	84.92%
P9051	Blood, /r, cmv-neg	1010	1010	\$156.70	\$152.00	-3.00%
P9052	Platelets, hla-m, /r, unit	1011	1011	\$671.62	\$616.33	-8.23%
P9053	Plt, pher, /r cmv-neg, irr	1020	1020	\$705.38	\$686.54	-2.67%
P9054	Blood, /r, froz/degly/wash	1016	1016	\$211.05	\$218.81	3.68%
P9055	Plt, aph/pher, /r, cmv-neg	1017	1017	\$396.81	\$496.26	25.06%
P9056	Blood, /r, irradiated	1018	1018	\$144.28	\$147.13	1.98%
P9057	RBC, /r/deg/wsh, /r, irrad	1021	1021	\$496.21	\$373.99	-24.63%
P9058	RBC, /r, cmv-neg, irrad	1022	1022	\$262.18	\$263.46	0.49%
P9059	Plasma, /r, between 8024 hours	0955	0955	\$76.77	\$77.93	1.51%
P9060	Fr frz plasma donor retested	9503	9503	\$74.49	\$52.64	-29.33%

Final Changes to the CY 2008 Hospital Outpatient Prospective Payment System (continued)

Payment for Part B drugs, including blood clotting factors, will be reduced for CY 2008. Currently, CMS reimburses for separately payable drugs under the OPSS at average sales price (ASP) plus 6 percent. For 2008, CMS will reduce payment to ASP plus 5 percent. In an analysis of actual cost data on separately paid drugs, CMS found that hospitals were being overpaid with reimbursement set at ASP plus 6 percent. Using the full CY 2006 year and updated CCRs, the analysis found the equivalent average ASP-based payment amount for separately payable drugs and biologicals, including pharmacy handling costs, is equal to ASP plus 3 percent for CY 2008. Therefore, further reductions in reimbursement for Part B drugs are likely, potentially to the level of ASP plus 3 percent.

FDA Strengthens Boxed Warnings for ESAs

On November 8, 2007, the U.S. Food and Drug Administration (FDA) approved revised boxed warnings and other safety-related product labeling changes for erythropoiesis-stimulating agents (ESAs). The warnings address both cancer and chronic kidney failure patients.

The new boxed warnings emphasize that ESAs caused tumor growth and shortened survival in patients with advanced breast, head and neck, lymphoid, and non-small cell lung cancer when they received an ESA dose that attempted to achieve a hemoglobin level of 12 g/dL or greater. The warning also notes that clinical data currently are not available to determine whether a similar risk of shortened survival or increased tumor growth existed for cancer patients who receive an ESA dose that attempts to achieve a hemoglobin level of less than 12 g/dL. The boxed warning clarifies that ESAs should only be used for cancer patients with anemia specifically caused by chemotherapy and not for other causes of anemia. ESAs should be discontinued once a patient's course of chemotherapy has been completed.

The new labeling emphasizes that there are no data from controlled trials demonstrating that ESAs improve quality of life for patients with cancer or for patients with HIV undergoing AZT therapy.

For patients with chronic kidney failure, the boxed warning states that ESAs should be used to maintain a hemoglobin level between 10 and 12 g/dL, and that maintaining higher hemoglobin levels increases the risk for death and for serious cardiovascular reactions such as stroke, heart attack, or heart failure. Additionally, the new labeling provides specific instructions for dosing adjustments and monitoring for chronic kidney failure patients who do not respond to ESA treatment.

Additional information on labeling changes can be found on the FDA's website.

The CY 2008 OPSS final rule also states that CMS will continue its policy of requiring a single unit of the transfusion CPT code 36430 (Transfusion, blood or blood components) to be reported regardless of how many transfusions occur on a single date of service. CMS rejected public comments recommending identifying when multiple units of blood or blood components are transfused and triggering an additional discounted payment for subsequent transfusion on the same date of service. In the response, CMS reminds hospitals that charges for the totality of all transfusion services provided on a single date of service should be included when billing CPT code 36430.

The CY 2008 OPSS Final Rule is available at:
<http://www.cms.hhs.gov/HospitalOutpatientPPS/HORD/list.asp>

IVIG Payment for CY 2008

Under the CY 2008 OPSS final rule, CMS finalized a proposal to continue to recognize payment for pre-administration services for IVIG. IVIG pre-administration services (G0332) will be paid at a rate of \$37.71 for 2008. CMS also indicates that it will consider the need to continue separate payment for IVIG preadministration services for 2009, including the potential to package this service in future years.

Did you know... that CMS has awarded two more A/B MAC contracts?

CMS is replacing its current claims payment contractors - fiscal intermediaries and carriers - with new contract entities called Medicare Administrative Contractors (MACs).

On October 24, 2007, CMS awarded the contract for Jurisdiction 4 (American Samoa, California, Guam, Hawaii, Nevada, and the Northern Mariana Islands) to Palmetto GBA. Also in October, CMS awarded Jurisdiction 12 (Delaware, District of Columbia, Maryland, New Jersey, and Pennsylvania) to Highmark Medicare Services, Inc.

Background sheets and questions and answers related to the awards are available at CMS's website http://www.cms.hhs.gov/MedicareContractingReform/02_What's%20New.asp#TopOfPage.

Editor's Note: In the September 2007 newsletter, the reported values for percent change in blood reimbursement for the proposed 2007 APC payments were incorrect.