

Related Change Request (CR) #: 3992

Medlearn Matters Number: MM3992

Related CR Release Date: August 19, 2005

Related CR Transmittal #: 653

Effective Date: April 1, 2005

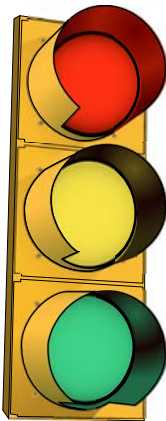
Implementation Date: October 3, 2005

October 2005 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File and Revisions to April 2005 Quarterly ASP Medicare Part B Pricing File, Effective October 1, 2005

Provider Types Affected

All Medicare providers who bill Medicare carriers, including Durable Medical Equipment Regional Carriers (DMERCs), Fiscal Intermediaries (FIs), and Regional Home Health Intermediaries (RHHIs)

Provider Action Needed



STOP – Impact to You

CR3992 provides the payment allowance limits in the October 2005 drug pricing files. The revised payment limits for the codes listed within this article supersede the payment limits for these codes in any publication published prior to this document.

CAUTION – What You Need to Know

Be aware that certain Medicare Part B drug payment limits were revised for dates of service on or after April 1, 2005 and on or before June 30, 2005.

GO – What You Need to Do

Make certain your billing staff is aware of these changes. The downloads for the October 2005 ASP drug pricing files are available after September 19, 2005. See the Additional Information section in this article for the web address.

Background

According to Section 303 (c) of the Medicare Modernization Act (MMA) the Centers for Medicare & Medicaid Services (CMS) will update the payment allowances for Medicare Part B drugs on a quarterly basis. Beginning January 1, 2005, Part B drugs (that are not paid on a cost or prospective payment basis) are paid based on 106 percent of the average sales price (ASP).

The ASP is calculated using data submitted to CMS by manufacturers on a quarterly basis and each quarter, CMS will update your carrier/FI payment allowance limits with the ASP files. There are, however,

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exceptions to the general rule and they were summarized in MM3846, effective April 1, 2005. This article may be viewed at <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2005/MM3846.pdf> on the CMS web site.



The **one new exception** listed in this CR states that the payment allowance limits for radiopharmaceuticals are not subject to ASP. Medicare contractors (Carriers, DMERCs, FIs, and RHHIs) will determine payment limits for radiopharmaceuticals based on invoice pricing or the methodology in place on November 2003.

It is important to 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, the inclusion of a payment limit within a specific column does not indicate Medicare coverage of the drug in that specific category. The local Medicare contractor processing the claim will make these determinations.

Implementation

The implementation date for this instruction is October 3, 2005.

Additional Information

The official instruction issued to your Medicare contractor regarding this change may be found at: http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp on the CMS web site. From that web page, look for CR 3992 in the CR NUM column on the right and click on the file for that CR.

CMS will also update the Microsoft Excel files on the CMS web site to reflect these revised payment limits. Those files may be found at <http://www.cms.hhs.gov/providers/drugs/asp.asp> on the CMS web site.

If you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at <http://www.cms.hhs.gov/medlearn/tollnums.asp> on the CMS web site.

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