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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-02 Medicare Benefit Policy | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 268 | Date: February 14, 2020 |
| | Change Request 11620 |

SUBJECT: Update to Medicare Benefit Policy Manual and Medicare Claims Processing Manual Adding New Chapters for Opioid Treatment Programs (Manual Updates Only)

I. SUMMARY OF CHANGES: This Change Request (CR) updates the Medicare Benefit Policy Manual by adding a new chapter, Chapter 17, Opioid Treatment Programs (OTPs).

EFFECTIVE DATE: January 1, 2020

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

IMPLEMENTATION DATE: March 16, 2020

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. 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 if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

| R/N/D | CHAPTER / SECTION / SUBSECTION / TITLE |
|--------------|---|
| N | 17/Opioid Treatment Programs (OTPs)/Table of Contents |
| N | 17/10/OTP General Information |
| N | 17/20/Definitions Relating to OTPs |
| N | 17/30/Requirements for OTPs |
| N | 17/40/Bundled payments for OUD treatment services |
| N | 17/40.1.1/Aspects of the bundle |
| N | 17/40.1.2/Duplicative Payments under Parts B or D |
| N | 17/40.1.3/Cost Sharing |
| N | 17/50/Adjustments to Bundled Payment Rates for OUD Treatment Services |
| N | 17/50/50.1/Locality Adjustment |
| N | 17/50/50.2/Annual Update |

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to

be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

| | | | |
|-------------|------------------|-------------------------|-----------------------|
| Pub. 100-02 | Transmittal: 268 | Date: February 14, 2020 | Change Request: 11620 |
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EFFECTIVE DATE: January 1, 2020

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IMPLEMENTATION DATE: March 16, 2020

I. GENERAL INFORMATION

A. Background: Section 2005 of the SUPPORT for Patients and Communities Act established a new Medicare Part B benefit for Opioid Treatment Programs. CMS finalized policies related to implementing this new benefit in the Calendar Year (CY) 2020 Physician Fee Schedule Final Rule.

B. Policy: CR updates the Medicare Benefit Policy Manual by adding a new chapter, Chapter 17, Opioid Treatment Programs (OTPs).

This CR updates the manual only.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

| Number | Requirement | Responsibility | | | | | | | | | |
|--------------|--|----------------|---|-------------|----------------------------|----------------------------------|-------------|-------------|-------------|-------|--|
| | | A/B MAC | | | D M E M A C | Shared- System Maintainers | | | | Other | |
| | | A | B | H H H | | F I S S | M C S | V M S | C W F | | |
| 11620 - 02.1 | Medicare contractors shall be aware of changes to the Medicare Benefit Policy Manual contained in this CR. | | X | | | | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | | |
|--------|-------------|----------------|---|-------------|----------------------------|------------------|--|
| | | A/B MAC | | | D M E M A C | C E D I | |
| | | A | B | H H H | | | |
| | None | | | | | | |

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---------------------------------|---|
| | |

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Lindsey Baldwin, 410-786-1694 or lindsey.baldwin@cms.hhs.gov.

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0

Medicare Benefit Policy Manual
Chapter 17 - Opioid Treatment Programs (OTPs)

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10 – OTP General Information

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

Section 2005 of the Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (the SUPPORT Act) (Pub. L. 115-271, enacted October 24, 2018) added new sections 1861(jjj), 1861(s)(2)(HH), 1833(a)(1)(CC) and 1834(w) to the Social Security Act (the Act), establishing a new Part B benefit category for opioid use disorder (OUD) treatment services furnished by an opioid treatment program (OTP) beginning on or after January 1, 2020.

The statutory requirements for OUD treatment services furnished by an OTP can be found in section 1861(jjj) of the Act. Additionally, many of the regulations pertaining to OTPs can be found at 42 CFR 410.67.

For information on claims processing, see Pub 100-04, Medicare Claims Processing Manual, Chapter 39.

20 – Definitions relating to OTPs

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

A. Episode of care

Episode of care means a one-week (contiguous 7-day) period.

B. Opioid treatment program (OTP)

OTP means an entity that is an opioid treatment program (as defined in 42 CFR 8.2, or any successor regulation) that meets the requirements described in Section 30 - Requirements for OTPs.

C. Opioid use disorder (OUD) treatment service

OUD treatment service means one of the following items or services for the treatment of opioid use disorder that is furnished by an opioid treatment program that meets the requirements described in Section 30 - Requirements for OTPs.

- 1. Opioid agonist and antagonist treatment medications (including oral, injected, or implanted versions) that are approved by the Food and Drug Administration (FDA) under section 505 of the Federal, Food, Drug, and Cosmetic Act (FFDCA) for use in treatment of opioid use disorder.*

There are three drugs currently approved by the FDA for the treatment of opioid dependence: buprenorphine, methadone, and naltrexone.¹

- 2. Dispensing and administration of opioid agonist and antagonist treatment medications, if applicable.*
- 3. Substance use counseling by a professional to the extent authorized under State law to furnish such services including services furnished via two-way interactive audio-video communication technology, as clinically appropriate, and in compliance with all applicable requirements.*
- 4. Individual and group therapy with a physician or psychologist (or other mental health professional to the extent authorized under State law), including services furnished via two-way interactive audio-video communication technology, as clinically appropriate, and in compliance with all applicable requirements.*
- 5. Toxicology testing.*

¹ <https://www.fda.gov/drugs/drugsafety/informationbydrugclass/ucm600092.htm>.

6. *Intake activities, including initial medical examination services required under 42 CFR 8.12(f)(2) and initial assessment services required under 42 CFR 8.12(f)(4).*
7. *Periodic assessment services required under 42 CFR 8.12(f)(4).*

30 – Requirements for OTPs

(Rev. 268 : Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

To participate in the Medicare program and receive payment, an opioid treatment program must meet all of the following:

A. Be enrolled in the Medicare program.

An OTP must be enrolled in Medicare to receive Medicare payment for covered OUD treatment services under section 1861(jjj)(1) of the Act.

B. Have in effect a certification by the Substance Abuse and Mental Health Service Administration (SAMHSA) for the opioid treatment program.

OTPs must be certified by SAMHSA to furnish Medicare-covered OUD treatment services. SAMHSA has created a system to certify and accredit OTPs, which is governed by 42 CFR part 8, subparts B and C. To be certified by SAMHSA, OTPs must comply with the federal opioid treatment standards as outlined in § 8.12, be accredited by a SAMHSA-approved accreditation body, and comply with any other conditions for certification established by SAMHSA.

C. Be accredited by an accrediting body approved by the SAMHSA.

OTPs must be accredited by a SAMHSA-approved accrediting body in order to furnish Medicare-covered OUD treatment services. In 2001, the Department of Health and Human Services (HHS) and SAMHSA issued final regulations to establish a new oversight system for the treatment of substance use disorders (SUDs) with Medication Assisted Treatment (MAT) for OUDs (42 CFR part 8). SAMHSA-approved accrediting bodies evaluate OTPs and perform site visits to ensure SAMHSA's opioid dependency treatment standards are met. SAMHSA also requires OTPs to be accredited by a SAMHSA-approved accrediting body (§ 8.11). The SAMHSA regulations establish procedures for an entity to apply to become a SAMHSA-approved accrediting body (§ 8.3). There are currently six SAMHSA-approved accreditation bodies.²

D. Have in effect a provider agreement under 42 CFR 489.

All providers of services under section 1866 of the Act must enter into a provider agreement with the Secretary and comply with other requirements specified in that section. These requirements are codified at 42 CFR part 489.

40 - Bundled payments for OUD treatment services

(Rev. 268 : Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

Section 1834(w) of the Act directs the Secretary to pay to the OTP an amount that is equal to 100 percent of a bundled payment for OUD treatment services that are furnished by the OTP to an individual during an episode of care.

The bundled payments for OUD treatment services include the medications approved by the FDA under section 505 of the FFDCA for use in the treatment of OUD; the dispensing and administration of such medication, if applicable; substance use counseling; individual and group therapy; and toxicology testing.

² <https://www.samhsa.gov/medication-assisted-treatment/opioid-treatment-accrediting-bodies/approved>.

In calculating the bundled payments, a separate payment methodology applies for the drug component (which includes the medications approved by the FDA under section 505 of the FDCA for use in the treatment of OUD) and the non-drug component (which includes the dispensing and administration of such medications, if applicable; substance use counseling; individual and group therapy; and toxicology testing) of the bundled payments. The full bundled payment rate is calculated by combining the drug component and the non-drug components.

40.1.1 Aspects of the bundle

(Rev. 268 : Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

A. Duration of the bundle

The duration of an episode of care for OUD treatment services is a week (that is, a contiguous 7-day period that may start on any day of the week).

1. Requirements for an episode

SAMHSA requires OTPs to have a treatment plan for each patient that identifies the frequency with which items and services are to be provided (§ 8.12(f)(4)). There is a range of service intensity depending on the severity of a patient's OUD and stage of treatment. The threshold to bill an episode of care will be that at least one OUD treatment service was furnished (from either the drug or non-drug component) to the patient during the week that corresponds to the episode of care, the OUD treatment services are described in Section 20 – Definitions relating to OTPs, C. Opioid use disorder treatment service.

2. Non-drug episode of care

In addition to bundled payments for an episode of care that are based on the medication administered for treatment (and include both a drug and non-drug component), the non-drug episode of care provides a mechanism for OTPs to bill for non-drug services, including substance use counseling, individual and group therapy, and toxicology testing that are rendered during weeks when a medication is not administered, for example, in cases where a patient is being treated with injectable buprenorphine or naltrexone on a monthly basis or has a buprenorphine implant.

B. Drug and non-drug component

In establishing the bundled payment rates, we developed separate payment methodologies for the drug component and the non-drug component (which includes the dispensing and administration of medication, if applicable; substance use counseling; individual and group therapy; and toxicology testing) of the bundled payment. Each of these components is discussed in this section.

1. Drug component

The OTP bundled payment rates are based, in part, on the type of medication used for treatment.

The categories reflect those drugs currently approved by the FDA under section 505 of the FDCA for use in treatment of OUD: that is, methadone (oral), buprenorphine (oral), buprenorphine (injection), buprenorphine (implant), and naltrexone (injection).

Additionally, as we anticipate that there may be new FDA-approved opioid agonist and antagonist treatment medications to treat OUD in the future. In the scenario where an OTP furnishes MAT using a new FDA-approved opioid agonist or antagonist medication for OUD treatment that is not specified in one of our existing codes, the OTPs would bill for the episode of care using the medication not otherwise specified (NOS) code (HCPCS code G2075).

In such cases, we would use the typical or average maintenance dose to determine the drug cost for the new bundle, which contractors would then add to the non-drug component payment amount that corresponds with the relevant payment for drug administration (oral, injectable, or implantable) to determine the total bundled payment for the episode of care. Please refer to Pub 100-04, Medicare Claims Processing Manual, Chapter 39 for claims processing information.

2. Non-drug component

Counseling, Therapy, Toxicology Testing and Drug Administration

The non-drug component of the OUD treatment services includes all items and services furnished during an episode of care except for the medication, specifically counseling, therapy, toxicology testing and drug administration.

OTPs must provide adequate substance abuse counseling to each patient as clinically necessary. Section 1861(jjj)(1)(C) of the Act, as added by section 2005(b) of the SUPPORT Act defines OUD treatment services as including “substance use counseling by a professional to the extent authorized under state law to furnish such services.” Therefore, professionals furnishing therapy or counseling services for OUD treatment must be operating within State law and scope of practice.

These professionals could include licensed professional counselors, licensed clinical alcohol and drug counselors, and certified peer specialists that are permitted to furnish this type of therapy or counseling by state law and scope of practice. To the extent that the individuals furnishing therapy or counseling services are not authorized under state law to furnish such services, the therapy or counseling services would not be covered as OUD treatment services.

OTPs are required to provide adequate testing or analysis for drugs of abuse, including at least eight random drug abuse tests per year, per patient in maintenance treatment, in accordance with generally accepted clinical practice. These drug abuse tests (which are identified as toxicology tests in the definition of OUD treatment services in section 1861(jjj)(1)(E) of the Act) are used for diagnosing, monitoring and evaluating progress in treatment. The testing typically includes tests for opioids and other controlled substances. Urinalysis is primarily used for this testing; however, there are other types of testing such as hair or fluid analysis that could be used. Any of these types of toxicology tests (such as presumptive and definitive toxicology tests) would be considered to be OUD treatment services and would be included in the bundled payment for services furnished by an OTP.

The non-drug component of the bundle also includes the cost of drug dispensing and/or administration, as applicable.

C. Adjustment to the bundled payment rates

Bundled payment rates may be adjusted by use of add-on codes for intake activities, periodic assessments, take-home supplies of methadone, take home supplies of oral buprenorphine, and additional counseling or group or individual therapy to be furnished for a particular patient that substantially exceeds the amount specified in the patient’s individualized treatment plan.

Additional information regarding the add-on codes can be found at Pub 100-04, Medicare Claims Processing Manual, Chapter 39

D. Site of service (telecommunications)

OTPs are allowed to furnish the substance use counseling, individual therapy, and group therapy included in the bundle via two-way interactive audio-video communication technology, as clinically appropriate, in order to increase access to care for beneficiaries, for additional information please refer to Section 20 – Definitions relating to OTPs, C. Opioid use disorder treatment service.

Telemedicine services should not, under any circumstances, expand the scope of practice of a healthcare professional or permit practice in a jurisdiction (the location of the patient) where the provider is not licensed.

Counseling or therapy furnished via communication technology as part of OUD treatment services furnished by an OTP must not be separately billed by the practitioner furnishing the counseling or therapy because these services would already be paid through the bundled payment made to the OTP.

E. Coding

A coding structure for OUD treatment services was adopted that varies by the medication administered.

The codes and long descriptors for the OTP bundled services and add-on services are:

HCPCS code G2067: Medication assisted treatment, methadone; weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing, if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2068: Medication assisted treatment, buprenorphine (oral); weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2069: Medication assisted treatment, buprenorphine (injectable); weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2070: Medication assisted treatment, buprenorphine (implant insertion); weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2071: Medication assisted treatment, buprenorphine (implant removal); weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2072: Medication assisted treatment, buprenorphine (implant insertion and removal); weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2073: Medication assisted treatment, naltrexone; weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2074: Medication assisted treatment, weekly bundle not including the drug, including substance use counseling, individual and group therapy, and toxicology testing if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2075: Medication assisted treatment, medication not otherwise specified; weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing, if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program).

HCPCS code G2076: Intake activities, including initial medical examination that is a complete, fully documented physical evaluation and initial assessment conducted by a program physician or a primary care physician, or an authorized healthcare professional under the supervision of a program physician or qualified personnel that includes preparation of a treatment plan that includes the patient's short-term goals and the tasks the patient must perform to complete the short-term goals; the patient's requirements for education, vocational rehabilitation, and employment; and the medical, psycho- social, economic, legal, or other supportive services that a patient needs, conducted by qualified personnel (provision of the services by a Medicare-enrolled Opioid Treatment Program); List separately in addition to code for primary procedure.

HCPCS code G2077: Periodic assessment; assessing periodically by qualified personnel to determine the most appropriate combination of services and treatment (provision of the services by a Medicare-enrolled Opioid Treatment Program); List separately in addition to code for primary procedure.

HCPCS code G2078: Take-home supply of methadone; up to 7 additional day supply (provision of the services by a Medicare-enrolled Opioid Treatment Program); List separately in addition to code for primary procedure.

HCPCS code G2079: Take-home supply of buprenorphine (oral); up to 7 additional day supply (provision of the services by a Medicare-enrolled Opioid Treatment Program); List separately in addition to code for primary procedure.

HCPCS code G2080: Each additional 30 minutes of counseling or group or individual therapy in a week of medication assisted treatment, (provision of the services by a Medicare-enrolled Opioid Treatment Program); List separately in addition to code for primary procedure.

Only an entity enrolled with Medicare as an OTP can bill these codes. OTPs are limited to billing only these codes describing bundled payments, and may not bill for other codes, such as those paid under the Medicare Physician Fee Schedule (PFS).

F. Payment Rates

The codes describing the OTP bundled services (HCPCS codes G2067-G2075) are assigned flat dollar payment amounts. The payment rates for OUD treatment services are derived by combining the cost of the drug and the non-drug components (as applicable) into a single bundled payment as described in more detail below.

1. Drug component

As part of determining a payment rate for the bundles for OUD treatment services, a dosage of the applicable medication was selected in order to calculate the cost of the drug component of the bundle.

In order to determine the drug costs for the weekly bundles, the following typical or average maintenance dosages were used:

- a 100 mg daily dose for methadone,*
- a 16 mg daily dose for oral buprenorphine*
- a 100 mg monthly dose for the extended-release buprenorphine injection,*
- four rods each containing 74.2 mg of buprenorphine for the 6-month buprenorphine implant, and*
- a 380 mg monthly dose for extended-release injectable naltrexone)*

Drug Pricing Data Source

For Part B drugs, use the methodology in section 1847A of the Act (which bases most payments on average sales price (ASP)) to set the payment rates for the “incident to” drugs and limit the payment amounts for these drugs to 100 percent of the volume-weighted ASP for a drug category or code.

For oral drugs, use ASP-based payment to set the payment rates for the oral product categories when we receive manufacturer-submitted ASP data for these drugs and limit the payment amounts for oral drugs to 100 percent of the volume-weighted ASP. When ASP data are not available for the oral drugs used in OTPs, use the TRICARE rate to set the payment for the drug component of the methadone bundle, and National Average Drug Acquisition Cost (NADAC) data to set the payment for the drug component of the oral buprenorphine bundle.

2. Non-drug component

The payment rate for the non-drug component is calculated based on a building block methodology using the Medicare payment rates for similar services furnished in the non-facility setting. Additionally, the non-drug component rate is adjusted to account for different administration and dispensing costs of the drug that is used in the episode of care (either oral, injectable, or implantable). The rate for dispensing oral drugs is determined using an approximation of the average dispensing fees under state Medicaid programs, which is \$10.50, since there is no Medicare Part B rate for oral MAT drugs. The payment for the non-drug component of weekly bundles that include injectable drugs (buprenorphine and naltrexone) will include the Medicare non-facility rate for administration of an injection.

Medication not otherwise specified

The payment for the non-drug component of the medication not otherwise specified bundle is based on whether the drug is oral, injectable, or implantable. This payment uses the building block payment methodology to determine the non-drug component of the bundled payments for medications that have the same mode of administration.

3. Place of Service (POS) Code for Services Furnished at OTPs

A POS code specific to OTPs was created since there were no existing POS codes that specifically describe OTPs:

- *Place of Service code 58 (Non-residential Opioid Treatment Facility—a location that provides treatment for OUD on an ambulatory basis. Services include methadone and other forms of MAT).*

We expect that POS code 58 will be noted on claims submitted for the HCPCS G codes describing OTP services. Additionally, the G codes describing the OTP bundled payments and add-on codes can only be billed by OTPs and cannot be billed by other providers. POS codes are not limited to Medicare use and may be used by other payers.

In regards to non-OTP pharmacies dispensing MAT drugs included in an OTP bundle, we encourage pharmacies and prescribing OTPs be in close communication in order to ensure proper billing procedures are followed and to prevent duplicative payments. The presence of POS code 58 on retail pharmacy claims will not mean that the pharmacy should process MAT claims any differently than they do now.

40.1.2 - Duplicative Payments Under Parts B or D

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

Section 1834(w)(1) of the Act, added by section 2005(c) of the SUPPORT Act, requires the Secretary to ensure, as determined appropriate by the Secretary, that no duplicative payments are made under Part B or Part D for items and services furnished by an OTP.

Many of the individual items or services provided by OTPs that would be included in the bundled payment rates may also be appropriately available to beneficiaries outside of the OTP benefit. Although we recognize the potential for significant program integrity concerns when similar items or services are payable under separate Medicare benefits, we believe it is important that any efforts to prevent duplicative payments not

inadvertently restrict Medicare beneficiaries' access to other Medicare benefits even for the time period they are being treated by an OTP.

For example, a beneficiary receiving counseling or therapy as part of an OTP bundle of services may also be receiving medically reasonable and necessary counseling or therapy as part of a physician's service during the same time period. Similarly, there could be circumstances where Medicare beneficiaries with OUD could receive treatment and/or medication from non-OTP entities that would not result in duplicative payments, presuming that both the OTP and the other entity appropriately furnished separate medically-necessary services or items. Consequently, we do not believe that provision of the same kinds of services by both an OTP and a separate provider or supplier would itself constitute a duplicative payment.

However, payment for medications delivered, administered or dispensed to a beneficiary as part of the bundled payment is considered a duplicative payment if a claim for delivery, administration or dispensing of the same medication for the same beneficiary on the same date of service was also separately paid under Medicare Parts B or D. If this occurs, CMS will recoup the duplicative payment made to the OTP.

40.1.3 - Cost Sharing

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

The Medicare Part B deductible applies for OUD treatment services, as mandated for all Part B services by section 1833(b) of the Act.

The copayment for OUD treatment services furnished by OTPs under fee-for-service Medicare Part B is set at zero (\$0).

50 - Adjustments to Bundled Payment Rates for OUD Treatment Services

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

The costs of providing OUD treatment services will likely vary over time and depend on the geographic location where the services are furnished.

50.1 - Locality Adjustment

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

Section 1834(w)(2) of the Act, as added by section 2005(c) of the SUPPORT Act, provides that the Secretary may implement the bundled payment for OUD treatment services furnished by OTPs through one or more bundles based on the type of medication provided, the frequency of services, the scope of services furnished, characteristics of the individuals furnished such services, or other factors as the Secretary determines appropriate. The cost for the provision of OUD treatment services, like many other healthcare services covered by Medicare, will likely vary across the country based upon the differing cost in a given geographic locality. Therefore, a geographic locality adjustment will be applied to the bundled payment rate for OUD treatment services as described below:

A. Drug Component

Because pricing for the MAT drugs included in the bundles reflects national pricing, and because there is no geographic adjustment fraction (GAF) applied to the payment of Part B drugs under the ASP methodology, there will not be any geographic adjustment to the drug component of the bundled payment rates.

B. Non-Drug Component

The GAF will be applied to:

- the non-drug component of the OTP bundled payment for OUD treatment, and*
- the add-on payment adjustments for non-drug services.*

50.2 - Annual Update

(Rev. 268: Issued; 02-14-20: Effective; 01-01-20: Implementation: 03-16-20)

A. Drug Component

The drug component of the bundled payment rates will be updated using the most recently available data from the applicable pricing mechanism finalized for drug pricing, as described above, to annually update the drug component of the bundled payment.

B. Non-Drug Component

The non-drug component of the bundled payment for OUD treatment services, and the add-on payments for non-drug services, will be updated based upon the Medicare Economic Index.