

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2345	Date: November 9, 2011
	Change Request 7575

NOTE: Transmittal 2329 dated October 27, 2011, is being rescinded and replaced with Transmittal 2345, dated November 9, 2011 to change the implementation date for Change Request (CR) 7575 to “No Later Than January 27, 2012.” All other material remains the same.

SUBJECT: Influenza Vaccine Payment Allowances – Annual Update for 2011-2012 Season

I. SUMMARY OF CHANGES: Influenza vaccine payment allowances - Annual update for 2011-2012 season. The attached RUN applies to Pub 100-04, Chap 17, section 20.5.9.

EFFECTIVE DATE: September 1, 2011

IMPLEMENTATION DATE: No Later Than January 27, 2012

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/A	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

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:

Recurring Update Notification

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 2345	Date: November 9, 2011	Change Request: 7575
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SUBJECT: Influenza Vaccine Payment Allowances - Annual Update for 2011-2012 Season

Effective Date: September 1, 2011

Implementation Date: No Later Than January 27, 2012

I. GENERAL INFORMATION

A. Background:

This recurring update notification provides the payment allowances for the following seasonal influenza virus vaccines: CPT codes 90654, 90655, 90656, 90657, 90660, and 90662, and HCPCS codes Q2035, Q2036, Q2037, and Q2038, when payment is based on 95 percent of the Average Wholesale Price (AWP). These payment allowances are effective September 1, 2011.

Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90655 is \$15.705, for CPT 90656 is \$12.375, for CPT 90657 is \$6.653, for HCPCS Q2035 (Afluria®) is \$11.543, for HCPCS Q2036 (Flulaval®) is \$8.784, for HCPCS Q2037 (Fluvirin®) is \$13.652, and for HCPCS Q2038 (Fluzone®) is \$13.306. The Medicare Part B payment allowance for HCPCS Q2039 (Flu Vaccine Adult - Not Otherwise Classified) will be determined by the local claims processing contractor.

Payment for CPT 90654 (Flu vaccine, Intradermal, Preservative free (Fluzone ID®)), for CPT 90660 (FluMist®, a nasal influenza vaccine), or CPT 90662 (Fluzone High-Dose®) may be made if the local claims processing contractor determines its use is medically reasonable and necessary for the beneficiary. Effective for dates of service on or after September 1, 2011, when payment is based on 95 percent of the AWP, the Medicare Part B payment allowance for CPT 90654 is \$18.383, for CPT 90660 is \$22.316, and for CPT 90662 is \$30.923.

CPT 90654 is a valid code effective January 1, 2011. However, the product was not FDA approved until May 9, 2011. Therefore, the code is non payable for Medicare purposes from January 1, 2011 until May 8, 2011. For any claims containing dates of service May 9, 2011 through August 31, 2011, the contractors shall price the vaccine. Effective for dates of service on and after September 1, 2011, CMS has established a price for CPT 90654.

The payment allowances for pneumococcal vaccines are based on 95 percent of the AWP and are updated on a quarterly basis via the Quarterly Average Sales Price (ASP) Drug Pricing Files.

B. Policy:

The Medicare Part B payment allowance limits for influenza and pneumococcal vaccines are 95 percent of the AWP as reflected in the published compendia except where the vaccine is furnished in a hospital outpatient department, Rural Health Clinic (RHC), or Federally Qualified Health Center (FQHC). Where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC, payment for the vaccine is based on reasonable cost.

Annual Part B deductible and coinsurance amounts do not apply. All physicians, non-physician practitioners and suppliers who administer the influenza virus vaccination and the pneumococcal vaccination must take assignment on the claim for the vaccine.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I I E R	C A R I E R	R H H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
7575.1	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90655 is \$15.705, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.2	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90656 is \$12.375, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.3	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90657 is \$6.653, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.4	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for HCPCS Q2035 is \$11.543, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.5	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for HCPCS Q2036 is \$8.784, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.6	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for HCPCS Q2037 is \$13.652, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.7	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for HCPCS Q2038 is \$13.306, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.8	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M I E R	C A R I E R	R H H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
	HCPCS Q2039 shall be determined by contractor discretion unless otherwise specified.										
7575.9	Contractors shall make payment for CPT 90660 if its use is determined to be medically reasonable and necessary for the beneficiary.	X		X	X						
7575.10	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90660 is \$22.316, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.11	Contractors shall make payment for CPT 90662 if its use is determined to be medically reasonable and necessary for the beneficiary.	X		X	X						
7575.12	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90662 is \$30.923, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.13	Contractors shall make payment for CPT 90654 if its use is determined to be medically reasonable and necessary for the beneficiary. NOTE: CPT 90654 was approved by FDA on May 9, 2011, and therefore is a payable service for Medicare purposes beginning with date of service on and after May 9, 2011.	X		X	X						
7575.13.1	Contractors shall locally price claims received with CPT 90654 for dates of service on and after May 9, 2011 through August 31, 2011.	X		X	X						
7575.13.2	Effective for dates of service on or after September 1, 2011, the Medicare Part B payment allowance for CPT 90654 is \$18.383, except where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC.	X		X	X						
7575.14	Contractors shall not search their files to either retract payment for claims already paid or to retroactively pay claims. However, contractors shall adjust claims brought to their attention.	X		X	X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I 	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7575.15	<p>A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X	X						

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use box below: N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s):

Prabath Malluwa-Wadu, 410-786-4620, prabath.malluwa-wadu@cms.hhs.gov

Post-Implementation Contact(s):

Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Intermediaries (RHHIs), and/or Carriers:*

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Section B: 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.