
CMS Manual System
Pub. 100-04 Medicare Claims
Processing

Department of Health & Human
Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 361

Date: NOVEMBER 5, 2004

CHANGE REQUEST 3552

SUBJECT: MMA Drug Pricing Update – Payment Limit for J0207 (Amifostine)

I. SUMMARY OF CHANGES: This One-Time Notification informs Medicare carriers to update the payment limit for HCPCS code J0207 (Amifostine) effective with dates of service on or after April 1, 2004, and on or before December 31, 2004.

NEW/REVISED MATERIAL - EFFECTIVE DATE: April 1, 2004.

***IMPLEMENTATION DATE: December 6, 2004**

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

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 361	Date: November 5, 2004	Change Request 3552
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SUBJECT: MMA Drug Pricing Update—Payment Limit for J0207 (Amifostine)

I. GENERAL INFORMATION

A. Background: This instruction provides updated payment limits for drugs granted an exception from the 85 percent general rule used in the calculation for pricing Medicare Part B drugs for calendar year 2004 under the exceptions process described in section 303(b) (2) of Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). In particular, this instruction informs Medicare carriers to replace the MMA payment limit for J0207 (Amifostine) with the new rate listed in this transmittal for dates of service on or after April 1, 2004 and on or before December 31, 2004.

B. Policy: Section 303(b)(2) of the MMA specifies that we may adjust the percentage used in the calculation for pricing Medicare Part B drugs effective January 1, 2004, based on data and information submitted by the manufacturer after October 15, 2003, and before January 1, 2004. Based on information received by CMS, the payment limit for J0207 has been revised. From April 1, 2004, through December 31, 2004, the Medicare payment limit for the HCPCS drug code listed below, when it is not paid on a cost or prospective payment basis, apply. The payment limit for J0207 supercedes the payment limit published in Pub. 100-04, Change Request (CR) 3161, Transmittal 119, dated March 15, 2004 and any other publication published prior to this document. Note that the absence or presence of a HCPCS code and its associated payment limit does not indicate Medicare coverage of the drug.

Status	HCPCS	Short Description	AWP %	2004 Payment Limit for Drugs (other than ESRD drugs separately billed by independent ESRD Facilities and drugs infused through DME)
OLD	J0207	Amifostine	85	\$405.29
NEW	J0207	Amifostine	89	\$422.21

C. Provider Education: A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. 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 1 week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3552.1	Carriers shall use the specific payment limit for HCPCS drug codes J0207 in the table under section B of this instruction. The payment limit in this instruction applies to claims with dates of service on or after April 1, 2004 and on or before December 31, 2004.			X						
3552.2	Carriers shall not search and adjust claims that have already been processed unless brought to their attention.			X						

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: April 1, 2004 Implementation Date: December 6, 2004 Pre-Implementation Contact(s): Jennifer Fan	Medicare contractors shall implement these instructions within their current operating budgets.
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jennifer.fan@cms.hhs.gov at 410-786-1100

Post-Implementation Contact(s): Appropriate regional office

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