# CMS Manual System

## Pub 100-04 Medicare Claims Processing

**Transmittal 867**

**Department of Health & Human Services (DHHS)**

**Centers for Medicare & Medicaid Services (CMS)**

**Date: FEBRUARY 17, 2006**

**Change Request 4241**

***NOTE: Transmittal 745, dated November 4, 2005, is rescinded and replaced with Transmittal 867, dated February 17, 2006. The Durable Medical Equipment Administrative Contractor (DMAC) Information Form (DIF) for immunosuppressive drugs is a form that collects additional data on the beneficiary before Medicare payment is made for immunosuppressive drugs. This transmittal eliminates the use of the DIF when billing for immunosuppressive drugs. All other information remains the same.***

**SUBJECT: Elimination of the Durable Medical Equipment Regional Carriers (DMERC) Information Form (DIF)**

**I. SUMMARY OF CHANGES:** This transmittal eliminates the use of the DIF when billing for immunosuppressive drugs.

**NEW/REVISED MATERIAL**
**EFFECTIVE DATE: April 1, 2006**
**IMPLEMENTATION DATE: April 3, 2006**

*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 |
|---|---|
| R | 17/70.1/Billing Drugs Electronically - NCPDP |
| R | 20/110.1.2/Certificate of Medical Necessity (CMN) |

**III. FUNDING:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

**IV. ATTACHMENTS:**

Business Requirements

Manual Instruction

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

# Attachment - Business Requirements

| Pub. 100-04 | Transmittal: 867 | Date: February 17, 2006 | Change Request 4241 |
|---|---|---|---|

***NOTE: Transmittal 745, dated November 4, 2005, is rescinded and replaced with Transmittal 867, dated February 17, 2006. The Durable Medical Equipment Administrative Contractor (DMAC) Information Form (DIF) for immunosuppressive drugs is a form that collects additional data on the beneficiary before Medicare payment is made for immunosuppressive drugs. This transmittal eliminates the use of the DIF when billing for immunosuppressive drugs. All other information remains the same.***

**SUBJECT: Elimination of the Durable Medical Equipment Regional Carriers (DMERC) Information Form (DIF)**

## I. GENERAL INFORMATION

### A. Background:

The DIF for immunosuppressive drugs is a form that collects additional data on the beneficiary before Medicare payment is made for immunosuppressive drugs. Section 1861(s)(2)(J) of the Social Security Act no longer imposes a limitation on the period of time for coverage of immunosuppressive drugs; thus, the information captured on the DIF (i.e., information regarding the dates of the beneficiary's transplant and other diagnosis information) can be obtained through other means. This transmittal eliminates the use of the DIF when billing for immunosuppressive drugs.

### B. Policy:

Effective for dates of service on or after April 1, 2006, providers are no longer required to submit a DIF when billing for immunosuppressive drugs.

## 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 | |

| Requirement Number | Requirements | Responsibility ("X" indicates the columns that apply) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FI | RHHI | Carrier | DMERC | Shared System Maintainers | | | | Other |
| | | | | | | FISS | MCS | VMS | CWF | |
| 4241.1 | DMERCs and the Common Working File (CWF) shall no longer require the DMERC Information Form (DIF) for Immuno-suppressive Drugs (Form DMERC-08.02) for dates of service on or after April 1, 2006. | | | | X | | | | X | |
| 4241.2 | CWF shall identify the following HCPCS codes for Immunosuppressive Drug as Category 11: J0215, J2920, J7500, J7501, J7502, J7504, J7505, J7506, J7507, J7509, J7510, J7511, J7513, J7515, J7516, J7517, J7518, J7520, J7525, J7599, J8530, J8610, J9212, J9213, J9214, J9215, J9216, and J2930. | | | | | | | | X | |
| 4241.2.1 | DMERCs and the CWF shall not require a DIF for these codes for dates of service on or after April 1, 2006. | | | | X | | | | X | |
| 4241.3 | CWF shall remove immunosuppressive drug codes from Category 59 for dates of service on or after April 1, 2006. | | | | | | | | X | |
| 4241.4 | If a claim is submitted with both March 2006 and April 2006 dates on the same claim, contractors shall replicate claims to divide the March 2006 services from the April 2006 services on separate claims. | | | | X | | | | | |
| 4241.4.1 | Contractors shall process claims with dates of service on or after April 1, 2006 services without the DIF. | | | | X | | | | | |
| 4241.4.2 | Contractors shall continue to require the fully completed DIF for immunosuppressive drugs for claims with an initial date prior to April 1, 2006. | | | | X | | | | | |

| Requirement Number | Requirements | Responsibility ("X" indicates the columns that apply) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FI | RHHI | Carrier | DMERC | Shared System Maintainers | | | | Other |
| | | | | | | FISS | MCS | VMS | CWF | |
| 4241.4.3 | Contractors shall continue to apply DIF logic to claims tied to an existing DIF prior to April 1, 2006. | | | | X | | | | | |
| 4241.5 | CWF shall review the Master Beneficiary Record to identify the Transplant Date for immunosuppressive drugs before approving claim/service line. | | | | | | | | X | |

## III. PROVIDER EDUCATION

| Requirement Number | Requirements | Responsibility ("X" indicates the columns that apply) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FI | RHHI | Carrier | DMERC | Shared System Maintainers | | | | Other |
| | | | | | | FISS | MCS | VMS | CWF | |
| 4241.6 | 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 shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly. **NOTE:** Contractors shall educate | | | | X | | | | | |

| Requirement Number | Requirements | Responsibility ("X" indicates the columns that apply) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FI | RHHI | Carrier | DMERC | Shared System Maintainers | | | | Other |
| | | | | | | FISS | MCS | VMS | CWF | |
| | providers not to submit dates of service March and April on the same claim. | | | | | | | | | |

## IV. 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

## V. SCHEDULE, CONTACTS, AND FUNDING

| | |
|---|---|
| **Effective Date***: April 1, 2006<br><br>**Implementation Date:** April 3, 2006<br><br>**Pre-Implementation Contact(s):** Policy: Angela Mason, Angela.Mason@cms.hhs.gov<br><br>Claims Processing: Tracey Hemphill, Tracey Hemphill@cms.hhs.gov or Joanne Spalding, Joanne.Spalding@cms.hhs.gov | **No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.** |

| | |
|---|---|
| **Post-Implementation Contact(s):** Appropriate Regional Office | |

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# Medicare Claims Processing Manual

## Chapter 17 - Drugs and Biologicals

### 70.1 – Billing Drugs Electronically - NCPDP

***(Rev. 867, Issued: 02-17-06, Effective: 04-01-06, Implementation: 04-03-06)***

The National Council for Prescription Drug Programs (NCPDP) Telecommunications Standard Version 5.1 and Batch Standard 1.1 is the HIPAA standard for electronic retail pharmacy drug claims and coordination of benefits (COB).

The CMS has issued a companion document for NCPDP in PM-B-03-041

DMERCs that process retail pharmacy drug transactions require their retail pharmacy claimants to use this standard. Retail pharmacies must use the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) ANSI X12N 837P HIPAA version Health Care Claim format to submit claims other than retail pharmacy claims to the DMERCs.

**DMERCs and VIPS shall accommodate quarterly and monthly NDC crosswalk updates as needed. DMERCs shall reject NDC codes that have been deactivated/end dated.**

#### A - Requirements for Implementing the NCPDP Standard

Retail pharmacies will be identified by a value of A5 in the specialty code as received by the National Supplier Clearinghouse. Only DMERC suppliers with an A5 specialty code may use the NCPDP standard. The DMERCs, their EDI submitters, and their other trading partners are required to transmit the NDCs in the NCPDP standards for identification of prescription drugs dispensed through a retail pharmacy. NDCs replace the drug HCPCS codes for retail pharmacy drug transactions billed to DMERCs via the NCPDP standards.

#### B - Certificate of Medical Necessity (CMN)

The CMN for Parenteral Nutrition (Form CMS-852) *is required. T*he DMERC Information Form for Immunosuppressive Drugs (Form DMERC-08.02) *is not required when billing for immunosuppressive drugs with dates of service on or after April 1, 2006.* As with other electronic formats, CMN data must be submitted within the valid transaction.

For claims submitted on the Form CMS-1500, retail pharmacies will continue to supply hard copy CMNs when required.

**C - NCPDP Companion Document**

DMERCs are to provide the NCPDP companion document, found at: http://cms.hhs.gov/manuals/pm_trans/B03041.pdf to retail pharmacy drug claim submitters (either provider, billing agent, or clearinghouse) that will submit retail pharmacy drug claims to Medicare electronically.

# Medicare Claims Processing Manual

## Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

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### 110.1.2 - Certificate of Medical Necessity (CMN)

***(Rev. 867, Issued: 02-17-06, Effective: 04-01-06, Implementation: 04-03-06)***

The CMN for Parenteral Nutrition (Form CMS-852) *is required*. The DMERC Information Form for Immunosuppressive Drugs (Form DMERC-08.02) *is not required when billing for immunosuppressive drugs with dates of service on or after April 1, 2006.* As with other electronic formats, CMN data must be submitted within the valid transaction.

For claims submitted on the Form CMS-1500, retail pharmacies will continue to supply hard copy CMNs when required.