American Red Cross

Reimbursement Update

December 2015

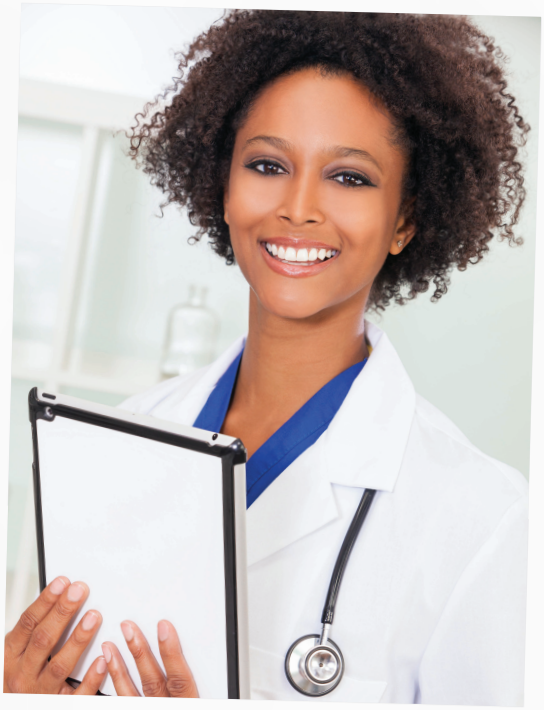
CMS Corrects Blood Product Payment Errors, Creates 3 New P-codes for 2016

Download the OPPS final rule:
https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Hospital-Outpatient-Regulations-and-Notices-Items/CMS-1633-FC.html

On November 13, 2015, the Centers for Medicare and Medicaid Services (CMS) published the calendar year (CY) **2016 Medicare hospital outpatient prospective payment system (OPPS) final rule.** This rule finalizes ambulatory payment classification (APC) payment changes for blood products and blood-related services, as well as clinical services like therapeutic apheresis and cellular therapy, furnished in the hospital outpatient setting.[1]

The 2016 OPPS final rule brings good news for American Red Cross customers. Earlier this year, CMS published the 2016 OPPS proposed rule, which included drastic reductions in payment for most blood products as compared to the 2015 APC payment rates. These reductions – which appeared to be due to an error in CMS's standard ratesetting methodology for blood products – were understandably a source of great concern for the blood banking community. Fortunately, the severe payment cuts in the proposed rule were not finalized.

The CY 2016 final rule is also notable for hospital blood bankers because it includes three new Healthcare Common Procedure Coding System (HCPCS) P-codes for pathogen-reduced blood products, and it significantly increases the APC payment rate for blood transfusion procedures.



More information on billing for blood products and related services can be found on our reimbursement website at http://www.redcrossblood.org/hospitals/educational-resources/reimbursement

Please send reimbursement inquiries or requests for reimbursement assistance to reimburse@redcross.org

[1] OPPS, APCs, and MS-DRGs do not apply to critical access hospitals, which are reimbursed based on reasonable costs.

All CPT codes and payment rates are provided for informational purposes only. Providers must determine the appropriate setting in which to furnish a service, as well as the appropriate and proper way in which to code and bill for all products and services that they provide to patients.

All payment amounts for procedures are Medicare national unadjusted rates. Actual payment amounts for procedures (but not for blood products) are subject to geographic adjustments

We discuss these developments in further detail below. Most provisions of the OPPS final rule will take effect on January 1, 2016.

Corrected APC Payment Rates for Blood Products

In the final rule, CMS acknowledges that the proposed blood product payment rates released earlier this year were calculated in error.

- The payment calculation error resulted in proposed payment reductions that were on average 20% lower than the 2015 rates across all blood products, and more than half of the blood products would have been impacted by a payment reduction of 30% or greater.
- Hospitals would have been hit particularly hard by the proposed payment reduction of 31% for leukoreduced reduced red blood cells (HCPCS code P9016), which accounts for more than half of all blood units transfused in the hospital outpatient setting.
- Following the release of these proposed payment reductions, the American Red Cross and other stakeholders communicated extensively with CMS to express their concern over the payment cuts; these outreach efforts included an in-person meeting with CMS at its Baltimore headquarters, and submission of a formal written comment in response to the OPPS proposed rule.
- In the final rule, CMS responded to the concerns of the blood community and said that it has corrected the payment calculation error in the final rule; as a result of correcting the error, the final 2016 APC payment rates are approximately 10% to 60% higher than the rates in the proposed rule.

The impact of the final CY 2016 payment changes varies based on the type of blood product.

- As compared to the 2015 rates, payments will increase for 12 of 34 blood product P-codes.
- Although payments will decrease for the remaining P-codes, the final reductions are much less than the payment cuts in the proposed rule. For example, the payment for leukoreduced RBC code P9016 will decrease by 2.7% as compared to the 2015 rate, instead of the 31% decrease that would have resulted from the proposed rule.

CMS continues to base APC payment rates for blood products on the charges that hospitals have reported on past Medicare claims.

- This ratesetting methodology will cause payment rates for certain key blood products, such as leukoreduced red blood cells (P9016), to decrease in CY 2016 (even after correcting for the payment calculation error discussed above).
- CMS's commitment to its charge-based ratesetting methodology makes it crucial for hospitals to ensure that their processing charges for blood products are set at appropriate levels.
- Hospital processing charges for blood products always should reflect acquisition cost (that is, the blood supplier's processing fees for the units) plus an appropriate mark-up.
- **Reporting appropriate charges now will help to ensure that future Medicare payment rates reflect more accurately the true costs of blood and blood products.**

A list of the final CY 2016 APC payment rates for all blood products is available in Appendix A.

New HCPCS P-codes for Pathogen-Reduced Blood Products

CMS has created three new P-codes for pathogen reduced blood products effective for dates of service on or after January 1, 2016:

- P9072 – Platelets, pheresis, pathogen reduced, each unit
- P9071 – Plasma (single donor), pathogen reduced, frozen, each unit
- P9070 – Plasma, pooled multiple donor, pathogen reduced, frozen, each unit

Although new P-codes for blood products are rarely granted (the three codes listed above are the first new P-codes in more than 10 years) CMS indicates in the final rule that it plans to consider additional changes to blood product P-codes in the future: "we intend in future rulemaking to evaluate the set of HCPCS P-codes and propose revisions that may be necessary to create a current and robust code set for blood products."

The final CY 2016 APC payment rates for these new P-codes are included in the list of APC payment rates for all blood products in Appendix A.

Final OPPS Payment Changes For Blood-Related Services

The APC payment for transfusion CPT code 36430 will increase by more than 17%.

- The final CY 2016 payment rate of $349.14 represents a nearly $52 increase over the 2015 rate ($297.30).

CMS will expand its "conditional packaging" of blood-related laboratory services.

- When a service is "conditionally packaged," it means that the service will be packaged (i.e., not paid separately) when performed with a significant procedure, but will be paid separately when performed alone.
- As a result of CMS's expansion of its conditional packaging policy, nearly all of the CPT codes within the transfusion medicine series (86850-86999) will be packaged when billed with transfusion CPT code 36430 in 2016.
- However, these codes will be paid separately if no transfusion or other significant procedure is performed (for example, in scenarios involving unused blood).
- Conditional packaging does not affect *coding* for services; therefore, hospitals should continue to report the transfusion medicine CPT codes regardless of whether a service is packaged or paid separately.

Final CY 2016 unadjusted APC payment rates for therapeutic apheresis and cellular therapy services are listed in Appendices B and C, respectively.

Appendix A

Comparison of Final CY 2016 and CY 2015 Medicare APC Payment Rates for Blood and Blood Products

HCPCS Code	Description	Final CY 2016 APC Payment	Final CY 2015 APC Payment	% Change 2016 vs. 2015
P9010	Whole blood for transfusion	$221.62	$217.25	2.0%
P9011	Blood split unit	$102.50	$130.46	-21.4%
P9012	Cryoprecipitate each unit	$59.64	$70.82	-15.8%
P9016	RBC leukocytes reduced	$184.34	$189.45	-2.7%
P9017	Plasma 1 donor frz w/in 8 hr	$72.56	$74.85	-3.1%
P9019	Platelets, each unit	$118.03	$115.35	2.3%
P9020	Plaelet rich plasma unit	$120.16	$135.93	-11.6%
P9021	Red blood cells unit	$145.79	$150.57	-3.2%
P9022	Washed red blood cells unit	$307.46	$320.32	-4.0%
P9023	Frozen plasma, pooled, sd	$75.90	$69.28	9.6%
P9031	Platelets leukocytes reduced	$116.32	$112.13	3.7%
P9032	Platelets, irradiated	$159.09	$168.64	-5.7%
P9033	Platelets leukoreduced irrad	$162.08	$162.25	-0.1%
P9034	Platelets, pheresis	$425.15	$419.55	1.3%
P9035	Platelet pheres leukoreduced	$488.29	$497.76	-1.9%
P9036	Platelet pheresis irradiated	$528.11	$569.52	-7.3%
P9037	Plate pheres leukoredu irrad	$641.85	$674.43	-4.8%
P9038	RBC irradiated	$205.82	$207.85	-1.0%
P9039	RBC deglycerolized	$380.32	$463.97	-18.0%
P9040	RBC leukoreduced irradiated	$267.63	$275.47	-2.8%
P9043	Plasma protein fract, 5%, 250ml	$28.28	$23.05	22.7%
P9044	Cryoprecipitate reduced plasma	$51.12	$78.56	-34.9%
P9048	Plasmaprotein fract,5%,250ml	$40.33	$33.64	19.9%
P9050	Granulocytes, pheresis unit	$1,518.48	$1,837.68	-17.4%
P9051	Blood, l/r, cmv-neg	$200.46	$163.99	22.2%
P9052	Platelets, hla-m, l/r, unit	$704.98	$704.37	0.1%
P9053	Plt, pher, l/r cmv-neg, irr	$590.97	$658.49	-10.3%
P9054	Blood, l/r, froz/degly/wash	$321.28	$244.18	31.6%
P9055	Plt, aph/pher, l/r, cmv-neg	$462.48	$394.10	17.4%
P9056	Blood, l/r, irradiated	$127.41	$134.53	-5.3%
P9057	RBC, frz/deg/wsh, l/r, irrad	$203.35	$448.84	-54.7%
P9058	RBC, l/r, cmv-neg, irrad	$249.23	$274.77	-9.3%
P9059	Plasma, frz between 8-24hour	$73.08	$71.38	2.4%
P9060	Fr frz plasma donor retested	$51.42	$58.82	-12.6%
P9070*	Pathogen reduced plasma pool	$73.08	--	--
P9071*	Pathogen reduced plasma sing	$72.56	--	--
P9072*	Pathogen reduced platelets	$641.85	--	--

* New code effective for dates of service on or after January 1, 2016.

Appendix B

Comparison of Final CY 2016 and CY 2015 Medicare Unadjusted APC Payment Rates for Therapeutic Apheresis

When coverage requirements are met, Medicare pays separately for therapeutic apheresis services in the hospital outpatient setting under OPPS.

- In the inpatient setting, reimbursement for therapeutic apheresis is bundled into the all-inclusive Medicare severity diagnosis-related group (MS-DRG) payment.
- Below, we compare the final CY 2016 and CY 2015 unadjusted Medicare payment amounts for therapeutic apheresis services in the hospital outpatient setting.

CPT	Description	Final CY 2016 APC Payment	Final CY 2015 APC Payment	% Change 2016 vs. 2015
36511	Therapeutic apheresis, for white blood cells	$1,047.76	$1,055.40	-0.7%
36512	Therapeutic apheresis, for red blood cells	$1,047.76	$1,055.40	-0.7%
36513	Therapeutic apheresis, for platelets	$1,047.76	$1,055.40	-0.7%
36514	Therapeutic apheresis, for plasma pheresis	$1,047.76	$1,055.40	-0.7%
36515	Therapeutic apheresis, with extracorporeal immunoadsorption and plasma reinfusion	$3,015.06	$2,845.80	5.9%
36516	Therapeutic apheresis, with extracorporeal selective adsorption or selective filtration and plasma reinfusion	$3,015.06	$2,845.80	5.9%
36522	Photopheresis, extracorporeal	$3,015.06	$2,845.80	5.9%

Medicare's coverage requirements for these services are specified in its national coverage determination (NCD) for therapeutic apheresis, which is available at:

https://www.cms.gov/medicare-coverage-database/details/ncd-details.aspx?NCDId=82.

- Although CMS proposed to remove the therapeutic apheresis NCD in early 2015, the agency recently announced that it "will take additional time to consider potential next steps regarding this policy."
- Therefore, the NCD remains in place for the time being.

Appendix C

Comparison of Final CY 2016 and CY 2015 Medicare Unadjusted APC Payment Rates for Cellular Therapy

When coverage requirements are met, Medicare pays separately for most stem cell collection and processing services (with the exception of CPT code 38205) in the hospital outpatient setting under OPPS.

- In the inpatient setting, reimbursement for stem cell collection and processing is bundled into the all-inclusive MS-DRG payment.
- Below, we compare the final CY 2016 and CY 2015 Medicare payment amounts for stem cell collection and processing services in the hospital outpatient setting

CPT	Description	Final CY 2016 APC Payment	Final CY 2015 APC Payment	% Change 2016 vs. 2015
38205	Blood-derived hematopoietic progenitor cell harvesting for transplantation, per collection; allogeneic	Not paid separately		N/A
38206	Blood-derived hematopoietic progenitor cell harvesting for transplantation, per collection; autologous	$1,047.76	$1,055.40	-0.7%
38207	Transplant preparation of hematopoietic progenitor cells; cryopreservation and storage	$349.14	$297.30	17.4%
38208	Transplant preparation of hematopoietic progenitor cells; thawing of previously frozen harvest, without washing	$349.14	$297.30	17.4%
38209	Transplant preparation of hematopoietic progenitor cells; thawing of previously frozen harvest, with washing	$349.14	$297.30	17.4%
38210	Transplant preparation of hematopoietic progenitor cells; specific cell depletion within harvest, T-cell depletion	$1,047.76	$628.19	66.8%
38211	Transplant preparation of hematopoietic progenitor cells; tumor cell depletion	$1,047.76	$628.19	66.8%
38212	Transplant preparation of hematopoietic progenitor cells; red blood cell removal	$1,047.76	$628.19	66.8%
38213	Transplant preparation of hematopoietic progenitor cells; platelet depletion	$1,047.76	$628.19	66.8%
38214	Volume deplete of harvest	$1,047.76	$628.19	66.8%
38215	Transplant preparation of hematopoietic progenitor cells; plasma (volume) depletion	$1,047.76	$628.19	66.8%