CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 496 **Date: MARCH 4, 2005**

CHANGE REQUEST 3681

SUBJECT: Billing for Blood and Blood Products Under the Hospital Outpatient Prospective Payment System (OPPS)

I. SUMMARY OF CHANGES: This transmittal updates language found in the Medicare Claims Processing Manual, Pub.100-04, Chapter 17, §90.1, and adds a new §231 entitled, "Billing for Blood and Blood Products" to Chapter 4.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: July 1, 2005
IMPLEMENTATION DATE: July 5, 2005

II. CHANGES IN MANUAL INSTRUCTIONS: (*N/A if manual not updated.*)
(R = REVISED, N = NEW, D = DELETED) – (*Only One Per Row.*)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	4/Table of Contents
N	4/231/Billing and Payment for Blood and Blood Products Under the Hospital Outpatient Prospective Payment System (OPPS)
N	4/231.1/When a Provider Paid Under the OPPS Does Not Purchase the Blood or Blood Products That It Procures from a Community Blood Bank, or When a Provider Paid Under the OPPS Does Not Assess a Charge for Blood or Blood Products Supplied by the Provider's Own Blood Bank Other Than Blood Processing and Storage
N	4/231.2/When a Provider Paid Under the OPPS Purchases Blood or Blood Products from a Community Blood Bank or When a Provider Paid Under the OPPS Assesses a Charge for Blood or Blood Products Collected By Its Own Blood Bank That Reflects More Than Blood Processing and Storage
N	4/231.3/Billing for Autologous Blood (Including Salvaged Blood) and Directed Donor Blood
N	4/231.4/ Billing for Split Unit of Blood
N	4/231.5/Billing for Irradiation of Blood Products
N	4/231.6/Billing for Frozen and Thawed Blood and Blood Products
N	4/231.7/Billing for Unused Blood
N	4/231.8/Billing for Transfusion Services
N	4/231.9/Billing for Pheresis and Apheresis Services
N	4/231.10/Correct Coding Initiative (CCI) Edits
R	17/90.1/Blood/Blood Products and Drugs Classified in Separate APCs for Hospital Outpatients

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

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

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 496	Date: March 4, 2005	Change Request 3681

SUBJECT: Billing for Blood and Blood Products Under the Hospital Outpatient Prospective Payment System (OPPS)

I. GENERAL INFORMATION

A. Background: In response to numerous requests, CMS made a commitment to compile and clarify Medicare policies for blood and blood products under the OPPS. To comply with this commitment, we are adding Section 231 to the Medicare Claims Processing Manual, Chapter 4. This new section focuses on billing instructions regarding the use of a newly created HCPCS modifier BL when a provider paid under the OPPS (OPPS provider) purchases blood or blood products from a community blood bank, or when an OPPS provider runs its own blood bank and assesses a charge for blood or blood products collected by the OPPS provider's own blood bank. Section 231 also describes policies on billing for autologous blood (including salvaged blood) and directed donor blood, a split unit of blood, irradiation of blood products, frozen and thawed blood and blood products, unused blood, transfusion services, and pheresis and apheresis services. In addition, Section 231 addresses correct coding initiative (CCI) edits.

B. Policy: Effective for services furnished on or after July 1, 2005, providers paid under the OPPS [bill types 12X and 13X] should report charges for blood and blood products in accordance with policies that are addressed in detail in the Medicare Claims Processing Manual, Pub. 100-04, Chapter 4, Section 231, as summarized below.

1. New Modifier and Billing Requirements When an OPPS Provider Purchases Blood or Blood Products from a Community Blood Bank or When an OPPS Provider Assesses a Charge for Blood or Blood Products Collected in its Own Blood Bank that Reflects More than Blood Processing and Storage

If an OPPS provider pays for the actual blood or blood product itself obtained from a community blood bank, or collects the blood or blood product in the OPPS provider’s own blood bank and also assesses a charge for the blood, in addition to paying for processing and storage costs, the OPPS provider must separate the charge for the unit(s) of blood or blood product(s) from the charge for processing and storage services. The OPPS provider reports charges for the blood or blood product itself using Revenue Code series 038X with the line item date of service (LIDOS), the number of units transfused, and the appropriate blood product HCPCS code and HCPCS modifier BL. The OPPS provider reports charges for processing and storage services on a separate line using Revenue Code 0390 or 0399 with the LIDOS, the number of units transfused, and the appropriate blood product HCPCS code and HCPCS modifier BL.

Whenever an OPPS provider reports a charge for blood or blood products using Revenue Code 038X, the OPPS provider must also report a charge for processing and storage services on a separate line using Revenue Code 0390 or 0399. Further, the same LIDOS, the same number of units, the same HCPCS code, and HCPCS modifier BL must be reported on <u>both</u> lines.

Effective for services furnished on or after July 1, 2005, the Outpatient Code Editor (OCE) will return to providers any claim that reports a charge for blood or blood products using Revenue Code 038X without a separate line for processing and storage services using Revenue Code 0390 or 0399. Moreover, in order to process to payment, both lines must report the same line item date of service, the same number of units, and the same HCPCS code accompanied by modifier BL.

Example

Revenue Code	Description	HCPCS	Units	Date of Service	Charge
38X	Blood/Blood Product	P-code with modifier BL	1	02/15/05	$ABC
39X	Blood Processing/Storage	P-code with modifier BL	1	02/15/05	$XYZ

2. Applicability of the Medicare Blood Deductible

Units of whole blood or packed red cells for which only processing and storage charges are reported are not subject to the blood deductible. The Medicare blood deductible is applicable only if the OPPS provider purchases whole blood or packed red cells from a community blood blank or if the OPPS provider assesses a charge for blood collected in its own blood bank that reflects more than charges for blood processing and storage. If the beneficiary has not already fulfilled the annual blood deductible or replaced the blood, OPPS payment for the blood or blood product will be made for the processing and storage costs only. The beneficiary is liable for the blood portion of the payment as the blood deductible.

3. Other Policies Related to Billing for Blood and Blood Products

Please refer to the Medicare Claims Processing Manual, Chapter 4, Section 231 for policies regarding billing for:

- Autologous Blood (Including Salvaged Blood) and Directed Donor Blood. Section 231.3;
- Split Unit of Blood. Section 231.4;
- Irradiation of Blood Products. Section 231.5;
- Frozen and Thawed Blood and Blood Products. Section 231.6;
- Unused Blood. Section 231.7;
- Transfusion Services. Section 231.8;
- Pheresis and Apheresis services. Section 231.9.

Section 231.10 addresses correct coding initiative (CCI) edits.

Section 231.1 provides billing instructions when an OPPS provider does not purchase blood or blood products that it procures from a community blood bank, or when the OPPS provider assesses a charge for blood collected in its own blood bank, in addition to charges for blood processing and storage.

C. Provider Education:

A Medlearn Matters 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. 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.

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	
3681. 1	The fiscal intermediary shared system maintainers shall update their files to accept modifier BL as a valid modifier.	X				X				
3681.2	The OPPS OCE shall edit to ensure that whenever an OPPS provider reports a charge for blood or blood products using Revenue Code 038X, the OPPS provider also reports a charge for processing and storage services on a separate line using Revenue Code 0390 or 0399. Further, the same LIDOS, the same number of units, the same HCPCS code, and HCPCS modifier BL must be reported on <u>both</u> lines.	X				X				OPPS Outpatient Code Editor
3681.3	Contractors shall follow the provider education requirements as noted in Section IC above.	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*: July 1, 2005 **Implementation Date:** July 5, 2005 **Pre-Implementation Contact(s):** Marina Kushnirova mkushnirova@cms.hhs.gov **Post-Implementation Contact(s):** Regional Offices	**Medicare contractors shall implement these instructions within their current operating budgets.**

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

Medicare Claims Processing Manual

Chapter 4 - Part B Hospital
(Including Inpatient Hospital Part B and OPPS)

Table of Contents

(Rev. 496, 03-04-05)

Crosswalk to Old Manuals

231 - Billing and Payment for Blood and Blood Products Under the Hospital Outpatient Prospective Payment System (OPPS)

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

231.1 - When a Provider Paid Under the OPPS Does Not Purchase the Blood or Blood Products That It Procures from a Community Blood Bank, or When a Provider Paid Under the OPPS Does Not Assess a Charge for Blood or Blood Products Supplied by the Provider's Own Blood Bank Other Than Blood Processing and Storage

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

When an OPPS provider furnishes blood or a blood product collected by its own blood bank for which only processing and storage costs are assessed, or when an OPPS provider procures blood or a blood product from a community blood bank for which it is charged only the processing and storage costs incurred by the community blood bank, the OPPS provider bills the processing and storage charges using Revenue Code 0390 (Blood Processing/Storage) or 0399 (Blood Processing /Storage; Other Processing and Storage), along with the appropriate blood HCPCS code, the number of units transfused, and the line item date of service (LIDOS). Processing and storage costs may include blood product collection, safety testing, retyping, pooling, irradiating, leukocyte-reducing, freezing, and thawing blood products, along with the costs of blood delivery, monitoring, and storage. In general, such categories of processing costs are not patient-specific. There are specific blood HCPCS codes for blood products that have been processed in varying ways, and these codes are intended to make payment for the variable resource costs of blood products that have been processed differently.

231.2 - When a Provider Paid Under the OPPS Purchases Blood or Blood Products from a Community Blood Bank or When a Provider Paid Under the OPPS Assesses a Charge for Blood or Blood Products Collected By Its Own Blood Bank That Reflects More Than Blood Processing and Storage

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

If an OPPS provider pays for the actual blood or blood product itself, in addition to paying for processing and storage costs when blood or blood products are supplied by either a community blood bank or the OPPS provider's own blood bank,, the OPPS provider must separate the charge for the unit(s) of blood or blood product(s) from the charge for processing and storage services. The OPPS provider reports charges for the blood or blood product itself using Revenue Code series 038X with the LIDOS, the number of units transfused, and the appropriate blood product HCPCS code and HCPCS modifier BL. The OPPS provider reports charges for processing and storage services on a separate line using Revenue Code 0390 or 0399 with the LIDOS, the number of units transfused, and the appropriate blood product HCPCS code and HCPCS modifier BL.

Whenever an OPPS provider reports a charge for blood or blood products using Revenue Code 038X, the OPPS provider must also report a charge for processing and storage

services on a separate line using Revenue Code 0390 or 0399. Further, the same LIDOS, the same number of units, the same HCPCS code, and HCPCS modifier BL must be reported on ***both*** *lines.*

Effective for services furnished on or after July 1, 2005, the Outpatient Code Editor (OCE) will return to providers any claim that reports a charge for blood or blood products using Revenue Code 038X without a separate line for processing and storage services using Revenue Code 0390 or 0399. Moreover, in order to process to payment, both lines must report the same line item date of service, the same number of units, and the same HCPCS code accompanied by modifier BL.

Payment for blood and blood products is based on the Ambulatory Payment Classification (APC) Group to which its HCPCS code is assigned, multiplied by the number of units transfused.

Units of whole blood or packed red cells for which only processing and storage charges are reported are not subject to the blood deductible. The Medicare blood deductible is applicable only if the OPPS provider purchases whole blood or packed red cells from a community blood blank or if the OPPS provider assesses a charge that reflects more than blood processing and storage for whole blood or packed red cells collected by its owns blood bank If the beneficiary has not already fulfilled the annual blood deductible or replaced the blood, OPPS payment will be made for processing and storage costs only. The beneficiary is liable for the blood portion of the payment as the blood deductible.

Whenever a charge for blood or blood products is reported using Revenue Code series 038X, a corresponding charge for the processing and storage must also be reported using Revenue Code 0390 or 0399, showing the same LIDOS, the same number of units the same HCPCS code, and HCPCS modifier BL as reported on the line with Revenue Code 038X.

> ***EXAMPLE:*** *An OPPS provider purchases 2 units of leukocyte-reduced red blood cells from a community blood bank and incurs a charge for the red cells themselves, and a charge for the blood bank's processing and storage of the red blood cell unit. The OPPS provider further incurs costs related to additional processing and storage of the red blood cell units after the OPPS provider has received the 2 units. A Medicare beneficiary is transfused the two units of leukocyte-reduced red blood cells.*
>
> *The OPPS provider should report the charges for 2 units of P9016 by separately billing the red blood cell charges and the total processing and storage charges incurred. The charges for the red blood cell units are to be reported on one line with the date the blood was transfused, Revenue Code series 038X, 2 units, HCPCS code P9016, and modifier BL. The total charges for processing and storage are to be reported on the same claim, on a separate line, showing the date the blood was transfused, Revenue Code 390 or 399, 2 units, HCPCS code P9016, and modifier BL. Note that HCPCS modifier BL is reported on both lines.*

231.3 - Billing for Autologous Blood (Including Salvaged Blood) and Directed Donor Blood

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

In general, when autologous (predeposited or obtained through intra- or postoperative salvage) or directed-donor transfusion is performed, OPPS providers should bill for the transfusion service and the number of units of the appropriate HCPCS code that describes the blood product. Payment for the product is intended to cover the costs associated with providing the autologous or directed donor blood product service (e.g., collection, processing, transportation, and storage). OPPS providers should bill the transfusion service and the blood product HCPCS code on the date that the transfusion took place and not on the date when the autologous blood was collected.

When an autologous blood product is collected but not transfused, OPPS providers should bill CPT 86890 (autologous blood or component, collection, processing, and storage; predeposited) or 86891(autologous blood or component, collection, processing, and storage; intra- or postoperative salvage) and the number of units collected but not transfused. CPT 86890 and 86891 are intended to provide payment for the additional resources needed to provide these services, which are not captured when a blood product HCPCS code is not billed. Because billing 86890 or 86891 is only indicated when autologous blood is collected but not transfused, the OPPS provider should bill 86890 or 86891 on the date when the OPPS provider is certain the blood will not be transfused (i.e., date of a procedure or date of outpatient discharge), rather than on the date of the product's collection or receipt from the supplier.

When a directed donor blood product is collected but not transfused to the initial targeted recipient or to any other patient, refer to the section 231.7 titled "Billing for Unused Blood."

231.4 - Billing for Split Unit of Blood

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

HCPCS code P9011 was created to identify situations where one unit of blood or a blood product is split and some portion of the unit is transfused to one patient and the other portions are transfused to other patients or to the same patient at other times. When a patient receives a transfusion of a split unit of blood or blood product, OPPS providers should bill P9011 for the blood product transfused, as well as CPT 86985 (Splitting, blood products) for each splitting procedure performed to prepare the blood product for a specific patient.

> ***EXAMPLE:*** *OPPS provider splits off a 100cc aliquot from a 250 cc unit of leukocyte-reduced red blood cells for a transfusion to Patient X. The hospital then splits off an 80cc aliquot of the remaining unit for a transfusion to Patient Y. At a later time, the remaining 70cc from the unit is transfused to Patient Z.*
>
> *In billing for the services for Patient X and Patient Y, the OPPS provider should report the charges by billing P9011 and 86985 in addition to the CPT code for the transfusion service, because a specific splitting service was required to prepare a split unit for transfusion to each of those patients. However, the OPPS*

provider should report only P9011 and the CPT code for the transfusion service for Patient Z because no additional splitting was necessary to prepare the split unit for transfusion to Patient Z.

231.5 - Billing for Irradiation of Blood Products

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

In situations where a beneficiary receives a medically reasonable and necessary transfusion of an irradiated blood product, an OPPS provider may bill the specific HCPCS code which describes the irradiated product, if a specific code exists, in addition to the CPT code for the transfusion. If a specific HCPCS code for the irradiated blood product does not exist, then the OPPS provider should bill the appropriate HCPCS code for the blood product, along with CPT code 86945 (irradiation of blood product, each unit).

***EXAMPLE:** If an OPPS provider transfuses the product described by P9040 (red blood cells, leukocytes reduced, irradiated, each unit), it would not be appropriate to bill an additional CPT code for irradiation of the blood product since charges for irradiation should be included in the charge for P9040.*

231.6 - Billing for Frozen and Thawed Blood and Blood Products

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

In situations where a beneficiary receives a transfusion of frozen blood or a blood product which has been frozen and thawed for the patient prior to the transfusion, an OPPS provider may bill the specific HCPCS code which describes the frozen and thawed product, if a specific code exists, in addition to the CPT code for the transfusion.. If a specific HCPCS code for the frozen and thawed blood or blood product does not exist, then the OPPS provider should bill the appropriate HCPCS code for the blood product, along with CPT codes for freezing and/or thawing services that are not reflected in the blood product HCPCS code.

***EXAMPLE:** If an OPPS provider transfuses the product described by P9057 (red blood cells, frozen/deglycerolized/washed, leukocytes reduced, irradiated, each unit), it would not be appropriate to bill additional CPT codes for freezing and/or thawing since charges for freezing and thawing should be included in the charge for P9057.*

If a blood product has been frozen and/or thawed in preparation for a transfusion, but the patient does not receive the transfusion of the blood product, the OPPS provider may bill the patient for the CPT code that describes the freezing and/or thawing services specifically provided for the patient. Similar to billing for autologous blood collection when blood is not transfused, the OPPS provider should bill the freezing and/or thawing services on the date when the OPPS provider is certain the blood product will not be transfused (e.g., date of a procedure or date of outpatient discharge), rather than on the date of the freezing and/or thawing services.

231.7 - Billing for Unused Blood

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

When blood or blood products which the OPPS provider has collected in its own blood bank or received from a community blood bank are not used, processing and storage costs incurred by the community blood bank and the OPPS provider cannot be charged to the beneficiary. However, certain patient-specific blood preparation costs incurred by the OPPS provider (e.g., blood typing and cross-matching) can be charged to the beneficiary under Revenue Code Series 30X or 31X. Patient-specific preparation charges should be billed on the dates the services were provided.

Processing and storage costs for unused blood products should be reported as costs under cost centers for blood on the OPPS provider's Medicare Cost Report. These are costs that are not considered patient-specific blood preparation services. Costs for unused blood products which have been purchased also should be reported as costs under cost centers for blood on the Medicare Cost Report.

231.8 - Billing for Transfusion Services

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

To report charges for transfusion services, OPPS providers should bill the appropriate CPT code for the specific transfusion service provided under Revenue Code 391 (Blood Administration). Transfusion services codes are billed on a per service basis, and not by the number of units of blood product transfused. For payment, a blood product HCPCS code is required when billing a transfusion service code. A transfusion APC will be paid to the OPPS provider for transfusing blood products once per day, regardless of the number of units or different types of blood products transfused.

231.9 - Billing for Pheresis and Apheresis Services

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

Apheresis/pheresis services are billed on a per visit basis and not on a per unit basis. OPPS providers should report the charge for an Evaluation and Management (E&M) visit only if there is a separately identifiable E&M service performed which extends beyond the evaluation and management portion of a typical apheresis/pheresis service. If the OPPS provider is billing an E&M visit code in addition to the apheresis/pheresis service, it may be appropriate to use the HCPCS modifier -25.

231.10 - Correct Coding Initiative (CCI) Edits

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

OPPS providers should be aware that certain CCI edits may apply when billing for blood and blood product services. OPPS providers should consult the most current list of CCI edits to determine whether they apply to the services or HCPCS blood product codes being reported. A file with the most current list of CCI edits applicable to Medicare Part B services paid by fiscal intermediaries under the OPPS is available at:
http://www.cms.hhs.gov/providers/hopps/.

90.1 - Blood/Blood Products and Drugs Classified in Separate APCs for Hospital Outpatients

(Rev. 496, Issued: 03-04-05, Effective: 07-01-05, Implementation: 07-05-05)

Proper Billing for Blood Products and Blood Storage and Processing

Refer to Pub.100-04, Medicare Claims Processing Manual, Chapter4, §231 regarding billing for blood and blood products under the Hospital Outpatient Prospective Payment System (OPPS).