

November 2, 2006
Montana Medicaid Notice
Outpatient Hospitals

**Processing of Outpatient Prospective Payment System (OPPS)
Claims With Certain Drug Administration Code Pairs**

On April 7, 2006, CMS issued a revision to Publication 100-04, Chapter 4, §230 of the Medicare Claims Processing Manual through transmittal R902CP (change request 4388) <http://www.cms.hhs.gov/transmittals/downloads/R902CP.pdf>. In the revision, CMS added clarifying language regarding the use of modifier -59 with the new OPPS National Correct Coding Initiative edit for drug administration procedure code pairs.

**Use of Modifier -59 per the Medicare Claims Processing Manual, Chapter 4,
Section C:**

With respect to chemotherapy administration and non-chemotherapy drug infusion, the use of Modifier 59 indicates a distinct encounter on the same date of service. In the case of chemotherapy administration or non-chemotherapy infusion, Modifier 59 is appended to drug administration HCPCS codes that meet the following criteria:

- The drug administration occurs during a distinct encounter on the same date of service of previous drug administration services; and
- The same HCPCS code has already been billed for services provided during a separate and distinct encounter earlier on that same day.

OR

- *A distinct and separate drug administration service is provided on the same day as a procedure when there is an OPPS National Correct Coding Initiative edit for the drug administration service and procedure code pair that may be bypassed with a modifier, and the use of the modifier is clinically appropriate.*

The CPT modifier 59 is NOT to be used when a beneficiary receives infusion therapy at more than one vascular access site of the same type (intravenous or intra-arterial) in the same encounter or when an infusion is stopped and then started again in the same encounter. In the instance where infusions of the same type (e.g. chemotherapy, non-chemotherapy, intra-arterial) are provided through two vascular access sites of the same type in one encounter, hospitals may report two units of the appropriate first hour infusion code for the initial infusion hours without modifier 59.

New OPPS National Correct Coding Initiative Code Pairs

Upon implementation of the April Outpatient Code Editor (OCE), the following codes will be considered code pairs and will require the use of modifier -59, where appropriate, to the line item containing the column 2 HCPCS code regardless of the number of encounters per day (see examples under section for claims processing). The use of modifier -59 will be required until the implementation of the July Outpatient Code Editor.

HCPCS Codes	
Column 1	Column 2
C8950	C8952
C8953	C8950
C8953	C8952
C8954	C8950
C8954	C8952
C8954	C8953

Claims Processing for the April OCE

Example 1: A recipient receives one hour of hydrating solution prior to 2 hours of infusion of anti-neoplastic drugs in one encounter. The hospital reports CPT codes as one unit of C8954, one unit of C8955, and one unit of C8950 (append modifier 59). The OCE pays one unit of APC 0117 (for the one unit each of C8954 and C8955) and one unit of APC 0120.

Example 2: A recipient receives one injection of a non-hormonal anti-neoplastic drug and 2 hours of infusion of anti-neoplastic drugs in one encounter. The beneficiary returns to the hospital in a separate encounter on the same date for administration of hydrating solution provided via infusion over 2 hours to treat dehydration and vomiting. For services in the first encounter, the hospital reports CPT codes as one unit of 96401, one unit of C8954, and one unit of C8955 (all without modifier 59). For services in the second encounter, the hospital reports one unit of HCPCS code C8950 (append modifier 59) and one unit of HCPCS code C8951. The OCE pays one unit of APC 0116, one unit of APC 0117 (for the one unit of C8954 and C8955) and one unit of APC 0120 (for the one unit of C8950 and the one unit of C8951).

Contact Information

For claims questions or additional information, contact Provider Relations:

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