



## Hospital Outpatient Prospective Payment System: October 2024 Update

Related CR Release Date: August 29, 2024

MLN Matters Number: MM13784

Effective Date: October 1, 2024

Related Change Request (CR) Number: [CR 13784](#)

Implementation Date: October 7, 2024

Related CR Transmittal Number: R12816CP

Related CR Title: October 2024 Update of the Hospital Outpatient Prospective Payment System (OPPS)

### Affected Providers

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- Physicians
- Hospitals
- Home Health and Hospice
- Other providers billing Medicare Administrative Contractors (MACs) for services you provide to Medicare patients

### Action Needed

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Make sure your billing staff knows about updates for:

- Proprietary Laboratory Analyses (PLA) codes
- Device pass-through
- Drugs, biologicals, and radiopharmaceuticals
- Skin substitutes
- Blood products
- Other coding changes

### Background

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CR 13784 describes changes to and billing instructions for various payment policies CMS is implementing in the October 2024 OPSS update. The October 2024 Integrated Outpatient Code Editor (I/OCE) shows the HCPCS, Ambulatory Payment Classification (APC), HCPCS modifier, and revenue code additions, changes, and deletions.

## Background

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The October 2024 OPPS changes are:

### 1. CPT PLA Coding Changes Effective October 1, 2024

The American Medical Association (AMA) CPT Editorial Panel established 45 new PLA codes, CPT codes 0476U through 0520U, effective October 1, 2024. [Table 1 of CR 13784](#) lists the long descriptors and status indicators (SI) for the codes.

### 2. Multianalyte Assays with Algorithmic Analyses (MAAA) CPT Coding Change Retroactive to July 1, 2024

The AMA CPT Editorial Panel established 1 new MAAA code, 0020M, effective July 1, 2024, is added to the October 2024 I/OCE Update. [Table 2 of CR 13784](#) lists the long descriptor and SI for CPT code 0020M.

### 3. OPPS Device Pass-through

#### a. New Device Pass-Through Categories Effective October 1, 2024

Section 1833 (t)(6)(B) of the [Social Security Act](#) (the Act) requires that, under the OPPS, categories of devices are eligible for transitional pass-through payments for at least 2, but not more than 3 years. Also, Section 1833(t)(6)(B)(ii)(IV) of the Act requires additional categories for transitional pass-through payments of new medical devices not described by existing or previously existing categories of devices.

We preliminarily approved 1 new device for pass-through status under the OPPS with an effective date of October 1, 2024, specifically, HCPCS code C8000. See [Table 3A of CR 13784](#) lists the long descriptor, SI and APC for this HCPCS code. Table 3A also has CPT codes that you must bill with C8000.

Also, for this new device category, see [Table 4 of CR 13784](#) for the complete list of device category HCPCS codes and definitions used for present and previous transitional pass-through payment.

#### b. Clarification for Existing Device Pass-through Categories C1601, C1747 and C1606

- We approved HCPCS code C1601 (Endoscope, single-use (i.e. disposable), pulmonary, imaging/illumination device (insertable)), as a new device category for pass-through status under the OPPS, effective January 1, 2024. HCPCS code C1601 is established as a bronchoscope that can only be used for a single procedure and can't be reprocessed. HCPCS code C1601 only describes devices that can't be reprocessed.
- We approved HCPCS code C1747 (Endoscope, single-use (i.e. disposable), urinary tract, imaging/illumination device (insertable)), as a new device category for pass-through status under the OPPS, effective January 1, 2023. HCPCS code C1747 was

established for a ureteroscope that can only be used for a single procedure and can't be reprocessed.

- We preliminarily approved HCPCS code C1606 (Adapter, single-use (i.e. disposable), for attaching ultrasound system to upper gastrointestinal endoscope) upon quarterly review under the alternative pathway effective of July 1, 2024. HCPCS code C1606 was established for an adapter for attaching an ultrasound system to an upper gastrointestinal endoscope that can only be used for a single procedure and can't be reprocessed.

#### **c. Updates for Device Offset Amounts to an Existing Device Code C1605**

Effective July 1, 2024, we're pairing CPT codes 0795T and 0801T billed with HCPCS code C1605. The device offset amount for the CPT codes are paired with HCPCS code C1605 and is updated to \$5,755.26, retroactive to July 1, 2024.

#### **d. Expiring Pass-through Status for Device Category HCPCS Code C1831 Effective October 1, 2024**

In October 2024, the pass-through status for HCPCS code C1831 expires on September 30, 2024. This device category HCPCS remains active, its payment is included in the primary service. See [Table 3B of CR 13784](#) for the long descriptor

It's important that hospitals report all HCPCS codes consistent with their descriptors, CPT and or CMS instructions, and correct coding principles, as well as all charges for all services you provide, whether payment for the services is made separately or is packaged.

#### **4. Status Indicator Changes for CPT Codes 0604T, 0605T, and 0606T**

CPT Codes 0604T, 0605T, and 0606T, describe patient-initiated remote retinal optical coherence tomography (OCT) scans. The device associated with these codes doesn't have full FDA approval. Also, we haven't received any claims for CPT 0604T, 0605T, and 06056T since the codes were effective on July 1, 2020. Therefore, we're revising the status indicator for CPT codes 0604T, 0605T, and 0606T to "E1" (not covered/not payable) effective October 1, 2024. [Table 5 of CR 13784](#) lists the long descriptors and OPSS SIs for the codes

#### **5. Status Indicator Change for CPT Code 0737T (Xenograft implantation into the articular surface) Retroactive to July 1, 2024**

The device associated with this code (Agili-C™) is now available, and the procedure is separately payable under OPSS. Specifically, we assigned CPT code 0737T to status indicator "J1" (Hospital Part B Services Paid Through a Comprehensive APC; Paid under OPSS) and APC 5115 (Level 5 Musculoskeletal Procedures) effective July 1, 2024. [Table 6 of CR 13874](#) lists the official long descriptor, status indicator, and APC assignment for CPT code 0737T.

## 6. Drugs, Biologicals, and Radiopharmaceuticals

### a. New CY 2024 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Receiving Pass-Through Status Effective October 1, 2024

We created 4 new HCPCS codes for reporting drugs and biologicals in the hospital outpatient setting, where there weren't previously specific codes available starting October 1, 2024. These drugs and biologicals will get drug pass-through status starting October 1, 2024. These HCPCS codes are in [Table 7 of CR 13784](#).

### b. Existing HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Receiving Pass-Through Status as of October 1, 2024

There are 6 HCPCS codes for certain drugs, biologicals, and radiopharmaceuticals in the outpatient setting that will have their pass-through status start on October 1, 2024. These HCPCS codes are listed in [Table 8 of CR 13784](#). Effective October 1, 2024, the SI is changing to G.

### c. Existing HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals with Pass-Through Status Ending on September 30, 2024

There are 6 HCPCS codes for certain drugs, biologicals, and radiopharmaceuticals in the outpatient setting with pass-through status ending September 30, 2024. These HCPCS codes are listed in [Table 9 of CR 13874](#). The SI for these codes is changing from G to K effective October 1, 2024.

### d. Newly Established HCPCS Codes for Drug, Biological, and Radiopharmaceutical as of July 2, 2024

There's 1 new drug, biological, and radiopharmaceutical HCPCS code effective July 2, 2024. This HCPCS code is in [Table 10 of CR 13784](#).

### e. Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals as of October 1, 2024

There are 34 new drug, biological, and radiopharmaceutical HCPCS codes effective October 1, 2024. These HCPCS codes are in [Table 11 of CR 13874](#).

### f. HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals Deleted as of September 30, 2024

There are 5 drug, biological, and radiopharmaceutical HCPCS codes that we're deleting on September 30, 2024. These HCPCS codes are in [Table 12 of CR 13874](#).

### **g. HCPCS Code for Drug, Biological, and Radiopharmaceutical Changing Payment Status**

There are 2 drug, biological, radiopharmaceutical, vaccine HCPCS codes changing payment status in [Table 13 of CR 13874](#). It was too late to change the SI for the HCPCS code J9074 from E2 to K, APC 0785, in the July 2024 I/OCE Update. We're including this change in the October 2024 I/OCE Update retroactive to July 1, 2024.

We're also changing the SI for CPT code 90683 from E1 to M. The effective date of this change for CPT code 90683 is retroactive to May 31, 2024.

### **h. HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals with Descriptor Changes as of October 1, 2024**

There are 6 drug, biological, and radiopharmaceutical HCPCS codes with a substantive descriptor change as of October 1, 2024. These HCPCS codes are in [Table 14 of CR 13874](#). Note, descriptor changes for Q5016, Q5017, Q5018 are effective September 15, 2024.

### **i. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)**

For CY 2024, payment for the majority of nonpass-through drugs, biologicals, and therapeutic radiopharmaceuticals is made at a single rate of ASP + 6% or ASP plus 6 or 8% of the reference product for biosimilars. In CY 2024, a single payment of ASP plus 6 % for pass-through drugs, biologicals, and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items or ASP plus 6 or 8% of the reference product for biosimilars. We update payments for drugs and biologicals based on ASPs on a quarterly basis as later quarter ASP submissions become available.

Effective October 1, 2024, payment rates for many drugs and biologicals change from the values published in the CY 2024 OPPS/ASC final rule with comment period as a result of the new ASP calculations based on sales price submissions from the second quarter of CY 2024. In cases where adjustments to payment rates are necessary, changes to the payment rates will be in the October 2024 Fiscal Intermediary Standard System (FISS) release. We're not publishing the updated payment rates in this Change Request implementing the October 2024 update of the OPPS. However, the updated payment rates effective October 1, 2024, are in the [October 2024 OPPS Addendum A and Addendum B](#).

### **j. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates**

Some drugs and biologicals paid based on ASP methodology have payment rates that we correct retroactively. These retroactive corrections typically occur on a quarterly basis. See the [list](#) of drugs and biologicals with corrected payments on the first date of the quarter. You may resubmit claims affected by adjustments to a previous quarter's payment files.

## 7. Skin Substitutes

The payment for skin substitute products that don't qualify for pass-through status will be packaged into the payment for the associated skin substitute application procedure. For payment packaging purposes, the skin substitute products are divided into 2 groups:

1. High-cost skin substitute products
2. Low-cost skin substitute products

We're assigning new skin substitute HCPCS codes to the low-cost skin substitute group unless we've pricing data that shows the cost of the product is above either the mean unit cost of \$47 or the per day cost of \$807 for CY 2024.

### a. Additional New Skin Substitute Products as of October 1, 2024

There are 12 new skin substitute HCPCS codes active as of October 1, 2024. These HCPCS codes are in [Table 15 of CR 13874](#).

### b. Skin Substitute Products Reassigned to the High-Cost Skin Substitute Group as of October 1, 2024

We're reassigning 4 skin substitute HCPCS codes from the low-cost skin substitute group to the high-cost skin substitute group as of October 1, 2024. The codes are in [Table 16 of CR 13784](#).

## 8. Blood Products

Effective October 1, 2024, there's 1 new blood product, HCPCS code P9027. It's assigned to SI=R (Blood and Blood products, separate APC payment under OPPS), and APC 9541. HCPCS code P9027 is part of the January 2025 I/OCE, since it was too late to add it to the October 2024 I/OCE. The code is in [Table 17 of CR 13784](#).

## 9. Coverage Determinations

Remember, the fact that we assign a HCPCS code and payment rate to a drug, device, procedure, or service under the OPPS doesn't imply coverage by Medicare. It indicates only how we pay for the product, procedure, or service if covered. MACs decide whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs decide that it's reasonable and necessary to treat the patient's condition and whether it's excluded from payment.

## More Information

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We issued CR 13784 to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

## Document History

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Date of Change	Description
September 5, 2024	Initial article released.

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