

HCPCS 101

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HCPCS

- Healthcare Common Procedure Coding System
- 1978
- HCPCS Level I - CPT
- HCPCS Level II
- HCPCS Level III – State codes – obsolete in October 2003



- 1996 HIPAA
- August 2000 – Codes required
- October 2003- CMS to maintain and distribute HCPCS Level II Codes.
- 2008 Nordan Administrative Service - PDAC



HCPC Codes Level II

- 5 character Alpha/Numeric Field
- J0290
 - Injection, ampicillin sodium, 500 mg



Categories

- A – Medical Surgical Supplies
- B - Enteral and Parenteral Therapy
- **C – Outpatient PPS**
- D - Dental
- E – DME
- G – Procedure/Professional Services
- H – Alcohol and Drug Abuse Screening and Treatment Services
- **J- Drugs Administered other than Oral Method / Chemotherapy Drugs**
- K – Temporary Codes
- L – Orthotic / Prosthetic Procedures
- M- Medical Services
- P – Pathology and Laboratory Services
- **Q – Temporary Codes**
- R- Diagnostic Radiology Services
- **S- Temporary National Codes (Non - Medicare)**
- T – National T Codes
- V – Vision and Hearing Services



HCPC File

- Compliance with CMS Code set
 - Correctly classify codes
 - Adjudicate and pay claims



Procedure Code File

- File Review – additions/deletions/changes
- Four updates per year
- Permanent Codes – effective January 1st
- Updates – effective April, July and October
 - Additions – Effective Dates
 - Changes – correct units/descriptions
 - Deletions



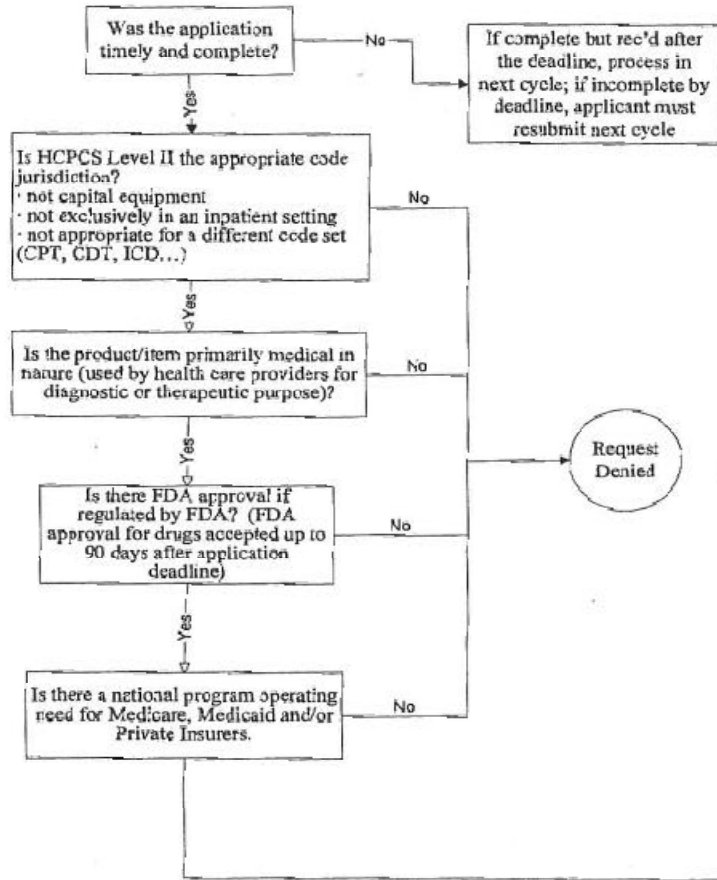
New Code Applications

- Submit Application to CMS
 - Establish
 - Revise
 - Discontinue
 - Application Available on the Web @ cms.gov/Medicare/Coding/MedHCPCSGenInfo
- Inclusion with 2014 HCPC update
 - Deadline January 3, 2013

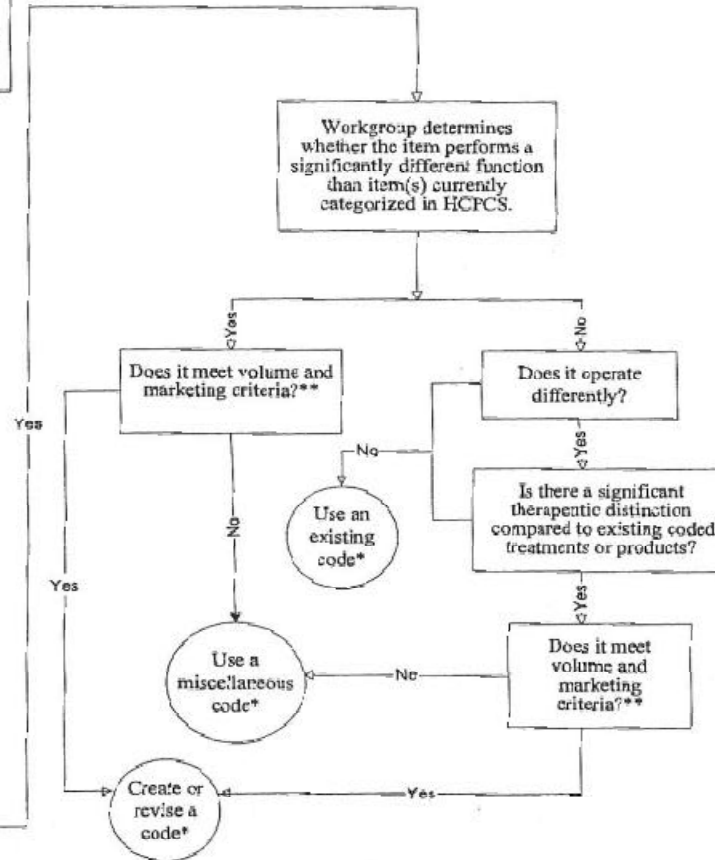


HCPCS Decision Tree
For External Requests to Add or Revise Codes

TIER 1: Does the item that is the subject of the request belong in HCPCS Level II?



TIER 2: Which HCPCS Level II code should be used?



*Subject to national program operating need

**For drugs, volume and marketing criteria are waived, and "yes" is assumed for the purpose of following the decision tree



HCPC Codes

- Pricing – state specific
- Clinical Criteria – support appropriate clinical use
- Rebate



Pricing

- Update frequency;
 - Annually/Quarterly
- State specific pricing logic



Clinical Criteria

- Gender
- Age
- Dosage

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Dosage

- J2778 Inj Ranibizumab 0.1mg
- (Lucentis® by Genentech)
- Dosed at 0.3mg or 0.5mg every 28 days
- Bill 3 or 5 units
- Dosage Minimum 3 units
- Dosage Maximum 5 units



Clinical Criteria

- Gender
- Age
- Dosage
- Diagnosis
- Quantity Minimums / Maximums



Quantity Min/Max

- **J1642**
- **Injection, heparin sodium, (heparin lock flush), per 10 units**

Incorrectly bill for 1000 units billing for 100 J1642

- **J1644**
- **Injection, heparin sodium, per 1000 units**
- **Bill 1 unit**

- **Add Quantity Minimums and Maximums to prevent billing errors**



Clinical Criteria

- Gender
- Age
- Dosage
- Diagnosis
- Quantity Minimums / Maximums
- Prescriber Limitations



'Clean' Claims

- 'Scrubbing' at time of claims processing
- Pull Rebate Data into Rebate Cycle



Single Source

- J 1595 Injection, glatiramer acetate, 20 mg
- (Copaxone[®] by Teva Pharmaceuticals LTD)
- Inject 20 mg - Bill 1 HCPC code

- J 0135 Injection, adalimumab 20 mg
- (Humira[®] by Abbott Pharmaceutical)
- Inject 20 mg - Bill 1 HCPC Code
- Inject 80 mg - Bill 4 HCPC Code (20mg x 4)



CMS Mandate

- Federal Deficit Reduction Act 2005 (DRA)
 - Expanded Rebate Program to include drugs administered in physician offices, clinics and hospitals
- Affordable Care Act 2010 (ACA)
 - Expanded rebate program to include drugs payable through encounter claims

Mandate inclusion of NDC



Multiple Source

- J0696 Injection ceftriaxone sodium per 250 mg
- Need NDC
- 250 mg – bill 1 HCPC code
- 500 mg – bill 2 HCPC codes



Conversion Factor

- J0400 Injection Aripiprazole, Intramuscular 0.25mg
(Abilify® 9.7mg/1.3 ml vial by BMS/Otsuka)
- Convert
- J code units to NDC units
- Each J code = 0.033334 of NDC
 - 39 J codes = 9.7 mg dose

CONVERSION FACTOR (CF)



NCPDP units *VS.* CMS Units

J0694 Injection, cefoxitin sodium, 1 gram

Cefoxitin 1 gram vial

NCPDP unit per each vial

CMS unit per each vial

1 = 1

Cefoxitin 10 gram vial

NCPDP unit per each

CMS unit per gram

Convert x .1

NCPDP VS.CMS



HCPC Codes

- **Meet Mandate**
 - adjudicate and pay claims
- **Increase Rebate Revenue**
 - identifying eligible units
- **Decrease Disputes**
 - 'clean' claims
- **Lowers net drug expenditures**



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- Tracking and reviewing drug related HCPC codes since 1992.
- Rebate and Procedure Code Expert
- Created NDC/HCPC code crosswalk with conversion factor now used extensively across the country

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