

# **STELARA<sup>®</sup>** **and APCs**

## **A Quick Reference Guide for 2011**

In 2011, under the Outpatient Prospective Payment System (OPPS), Medicare reimburses for non-packaged drugs administered in Medicare participating hospital outpatient departments as either separately payable (ASP+5%) or pass through (ASP+6%). Effective January 1, 2011, STELARA<sup>®</sup> has been issued a drug specific HCPCS code and is assigned pass through status under the OPPS. After the patient's deductible for the cost of the drug is met, Medicare pays the HOPD 80% of the established rates, and the patient or secondary/supplemental insurance is responsible for the remaining 20% co-insurance.

Note: Private payer policies for injection codes may vary. Consult local payers for coding policy regarding use of 96372 and 96401.

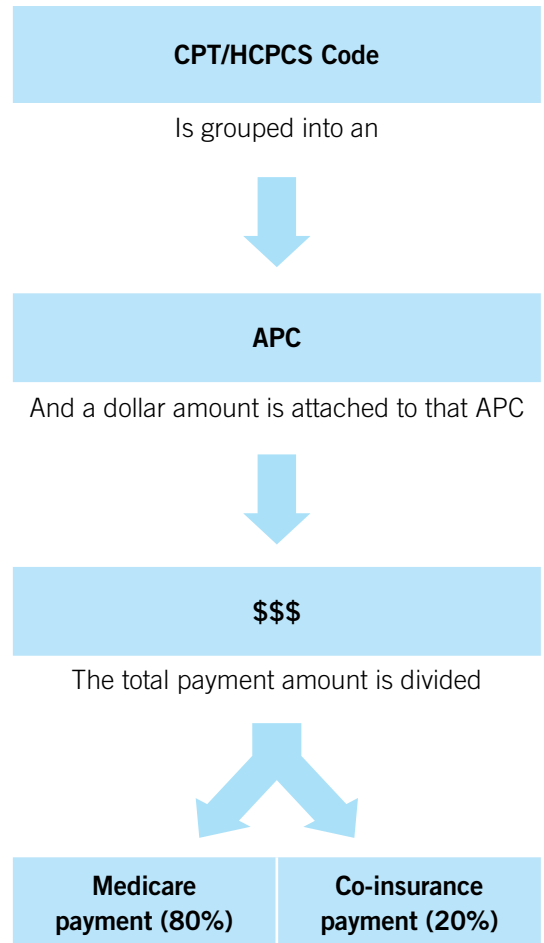


# How Medicare OPPS Payment Generally Happens

The information in this guide is provided to assist you in understanding the reimbursement process. It is intended to help providers in accurately obtaining reimbursement for healthcare services. It is not intended to increase or maximize reimbursement by any payer. We strongly suggest that you consult your payer organization with regard to local reimbursement policies. This document is presented for informational purposes only and is not intended to provide reimbursement or legal advice. Laws, regulations, and policies concerning reimbursement are complex and updated frequently. While Centocor Ortho Biotech Inc. has made an effort to be current as of the issue date of this document, the information may not be as current or comprehensive when you view it.

Please consult with your counselor reimbursement specialist for any reimbursement or billing questions. Similarly, all Current Procedural Terminology (CPT®) & Healthcare Common Procedural Coding System (HCPCS) billing codes are supplied for informational purposes only and represent no statement, promise or guarantee by Centocor Ortho Biotech Inc. that these codes will be appropriate or that reimbursement will be made.

## Items/Services Paid Under the Outpatient Prospective Payment System (OPPS)



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## Drugs/Biologics with Drug-specific Codes<sup>1</sup>

**HCPCS Code\* J3357**

*Injection, ustekinumab, 1 mg*

Is grouped into an APC for routine OPPS processing



**APC 9261**

And the drug is paid as a pass-through<sup>2</sup>



**\$\$\$<sup>3</sup>**

The total payment amount is divided



**Medicare payment (80%)**

**Co-insurance payment (20%)**

## Drug Administration Service

**CPT Code 96372**

*Therapeutic prophylactic or diagnostic injection, sc or im*

Is grouped into an APC for routine OPPS processing



**APC 0436**

The procedure is paid at (adjusted geographically<sup>†</sup>)



**\$26.35<sup>4</sup>**

The total payment amount is divided



**Medicare \$21.08<sup>4</sup>**

**Co-insurance \$5.27<sup>4</sup>**

\* The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the OPSS does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Medicare Administrative Contractors (MACs)/Fiscal Intermediaries (FIs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs/FIs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

† Illustrated are the Medicare national, unadjusted rates. Actual payment will vary according to adjustments made for the geographic location of the hospital.

<sup>1</sup> CMS has issued a permanent, drug specific HCPCS code for STELARA®: J3357 (Injection, ustekinumab, 1 mg). This code is effective January 1, 2011, and is the permanent J code to be used by all providers filing STELARA® claims.

<sup>2</sup> The term "pass-through" is a Medicare transitional designation provided for certain "new" drugs, devices and biological agents that were not being paid for as a hospital outpatient department service as of December 31, 1996, and whose cost is "not insignificant" in relation to the OPSS payment for the procedures or services associated with the new drug, device, or biological. By statute, transitional pass-through payments can be made for at least 2 years but not more than 3 years. In 2011, under OPSS, Medicare pays for pass-through drugs at ASP+6%.

<sup>3</sup> Rates are updated and published quarterly in the ASP Drug Pricing files accessible at: [http://www.cms.gov/McrPartBDrugAvgSalesPrice/01\\_overview.asp#TopOfPage](http://www.cms.gov/McrPartBDrugAvgSalesPrice/01_overview.asp#TopOfPage)

<sup>4</sup> Medicare Program: Hospital Outpatient Prospective Payment System and CY 2011 Payment Rates; Final Rule. 75 Fed. Reg. 72,442. (Nov. 24, 2010).

# You Should Know

- STELARA® is packaged in 45 mg vials; 45 mg single-use, prefilled syringes and 90 mg single-use, prefilled syringes. Each is equal to 1 service unit and identified by a unique NDC and descriptor.
- Effective January 1, 2011, Medicare requires the use of J3357, the permanent, drug-specific HCPCS code. Formerly used temporary or non-specific drug codes are no longer valid.
- Revenue code 0636 is required on claims with the ustekinumab code (J3357).
- Revenue code 0510 may be used with the injection code.
- Claims for the drug and its administration must be for the same date of service.

## Coding Information: Calendar Year 2011

Revenue Code	Description	CPT Code	Service Date	Service Units
0636	STELARA® 45 mg	J3357*	xx/xx/xx	45
0510	Clinic visit	96372	xx/xx/xx	1

\*Medicare requires use of J3357 (Injection, ustekinumab, 1 mg).  
When using this code report service units in 1 mg increments:  
45 mg = 45 units  
90 mg = 90 units

# You Should Know

## OPPS means:

- Outpatient Prospective Payment System
- This payment system uses APCs

## APC means:

- Ambulatory Payment Classification
- For Medicare Part B services in the Hospital Outpatient Department
- Billed on the UB-04
- Paid by the A/B MAC / Fiscal Intermediary

## APCs for drugs and biologics can be:

- Paid through regular APC methods
- Paid through a pass-through formula (temporary)
- Packaged – bundled with other services

## In the case of STELARA®:

- STELARA® is paid through regular APC methods using the pass through formula (ASP+6%)
- The injection service is paid as a regular APC

## Payment is in two parts:

- The Medicare program payment
- The co-insurance payment

## Proper payment depends on correct coding:

- The code determines the APC
- The APC determines the Medicare allowable payment for related services such as drug administration

Source: *Medicare Program: Hospital Outpatient Prospective Payment System and CY 2011 Payment Rates; Final Rule.* 75 Fed. Reg. 71,800. (Nov. 24, 2010)

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**Centocor Ortho Biotech Inc.**

800 Ridgeview Drive  
Horsham, PA 19044  
USA

**Please click [here](#) to read the Full Prescribing Information and Medication Guide for STELARA®.**

**Provide the Medication Guide to your patients and encourage discussion.**