



Oncology Pharmacy Strategy Informed by Pharmacy Business Affairs Analytics

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May 20, 2023

Objectives



1. Review Healthcare Common Procedure Coding System (HCPCS)
2. Discuss 2023 HCPCS code modifications and additions
3. Describe challenges for implementation of HCPCS code modifications and additions
4. Discuss method for determining preferred product and workflow

Pharmacy Business Affairs Team



340B & Procurement Compliance

Pharmacy Charge Management Analytics



Background: 2023 HCPCS Code Changes



On November 4, 2022, CMS published the HCPCS Code Application Summary for Quarter 3 of 2022. At the end of this summary was the announcement of the addition of 36 HCPCS codes (and the revision of several others) to separately identify products approved under the 505(b)(2) NDA or BLA pathways after October 2003. These pathways are specific to the method that the manufacturer utilized for FDA approval and indicate that the product is not therapeutically equivalent to a reference list product in an existing code. These additional codes became effective January 1st, 2023.

Operationally, this would result in the creation of multiple charge codes for numerous products with the same description and lowest billable unit. In most cases, these NDCs might have been previously connected to the same charge code.

What is a HCPCS Code?



Healthcare Common Procedure Coding System

A standardized coding system formed by the Centers for Medicare and Medicaid Services (CMS) intended to identify supplies, products, medical procedures, and services.

There are two subsystems of HCPCS codes:

➤ Level I

- Also known as CPT-4 Codes and used by hospital providers
- In use since 1966

➤ Level II

- Used by health professionals, physicians, and hospitals that bill Medicare
- In use since 1983

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE
1 0250	PHARMACY	
2 0258	IV SOLUTIONS	
3 0305	LAB/HEMATOLOGY	85025
4 0331	CHEMOTHER/INJ	96411
5 0335	CHEMOTHERP-IV	96413
6 0636	J9305PEMETREXED 10 MG INJ	J9305 JGJW
7 0636	DRUGS/DETAIL CODE	Q5119 JWTB
8 0636	DRUGS/DETAIL CODE	Q5119 TB
9 0636	DRUGS/DETAIL CODE	J1642
10 0636	J9305PEMETREXED 10 MG INJ	J9305 JG
11 0636	DRUGS/DETAIL CODE	J3420
12 0636	DRUGS/DETAIL CODE	J7050
13 0636	DRUGS/DETAIL CODE	J1100
14 0636	DRUGS/DETAIL CODE	J1200
15 0761	TREATMENT RM	96367
16 0761	TREATMENT RM	96375 59
17 0761	TREATMENT RM	96372 59

What is a HCPCS Code?



The most common pharmacy HCPCS Codes are:

- J-codes – drugs administered other than oral method, chemotherapy
- Q-codes – biosimilars, skin substitutes
- A-codes – radiopharmaceuticals

HCPCS Codes also provide information for how a medication should be billed. Within the various CMS documents, there are designations for the lowest billable unit of measure, the average sales price submitted by manufacturers, and the status indicator. The status indicator informs providers whether a medication will be paid separately as a unique line item on the bill.

Drug	Pemetrexed
HCPCS	J9305
Package Size	100 mg 500 mg 750 mg 1000 mg
Billing Unit	10 mg

January 2023 HCPCS Updates



HCPCS Description	Prev HCPCS	New HCPCS
Acetaminophen	J0131	J0136
Acetaminophen	J0131	J0131
Acetaminophen	J0131	J0134
Amiodarone	J0282	J0283
Argatroban Dialysis	J0884	J0892
Argatroban Dialysis	J0884	J0899
Argatroban Nonesrd	J0883	J0891
Argatroban Nonesrd	J0883	J0898
Bortezomib	J9041	J9048
Bortezomib	J9041	J9046
Bortezomib	J9041	J9049
Bupivacaine	C9290	C9144
Calcium Gluconate	J0610	J0610
Calcium Gluconate	J0610	J0611
Cefazolin Sodium	J0690	J0689
Cefepime HCl	J0692	J0703
Cefepime HCl	J0692	J0701
Daptomycin	J0878	J0877
Decitabine	J0894	J0893
Epinephrine	J0171	J0173
Fosaprepitant	J1453	J1456
Fulvestrant	J9395	J9394

Note: Highlight represents BHSF impact

HCPCS Description	Prev HCPCS	New HCPCS
Fulvestrant	J9395	J9393
Ganciclovir	J1570	J1574
Glucagon HCl	J1610	J1611
Heparin 1000U	J1644	J1643
Linezolid	J2020	J2021
Meropenem	J2185	J2184
Micafungin	J2248	J2247
Midazolam	J2250	J2251
Morphine	J2270	J2272
Moxifloxacin	J2280	J2281
Naloxone HCl	J2310	J2311
Pemetrexed 10 mg	J9305	J9314
Tigecycline	J3243	J3244
Vancomycin HCl	J3370	J3371
Vancomycin HCl	J3370	J3372
Bortezomib 0.1 mg	J9041	J9041
Lutrate Depot 7.5 mg		J1954
Cocaine HCl Nasal		C9046
Cocaine HCl Nasal		C9143
Chloroprocaine	J2400	J2402
Chloroprocaine HCl Injection	J2400	J2401

April 2023 HCPCS Updates



HCPCS Description	Prev HCPCS	New HCPCS
Calcium Gluconate	J0610	J0612
Calcium Gluconate	J0611	J0613
Gemcitabine	J9201	J9196
Pemetrexed	J9305	J9294
Pemetrexed	J9305	J9296
Pemetrexed	J9305	J9297

Note: Highlight represents BHSF impact

Pemetrexed Example



Prev HCPCS	New HCPCS	Short Descriptor
J9305	J9294	Pemetrexed 10 mg
J9305	J9296	Pemetrexed 10 mg
J9305	J9297	Pemetrexed 10 mg
J9304	J9304	Pemetrexed 10 mg
J9305	J9305	Pemetrexed nos 10 mg
J9305	J9314	Pemetrexed 10 mg

Initially Identified Challenges



- Reimbursement impacted by a different ASP calculation
- Process of provider product selection
- 340B accumulation
- Prior authorizations
- Downstream claim accuracy

Stakeholders



Pharmacy Charge
Management

Pharmacy
Informatics

Revenue Pricing
and Integrity

Miami Cancer
Institute

Pharmacy
Procurement
Compliance

Pharmacy
Buyers/Pharmacy
Operations

340B Program
Compliance

Solutions



- Identify preferred HCPCS code products
- Soft block purchasing of non-preferred HCPCS products
- Daily manual review of impacted NDCs and charge codes
- Quarterly review of HCPCS code changes
- Communicate impact and changes to appropriate stakeholders

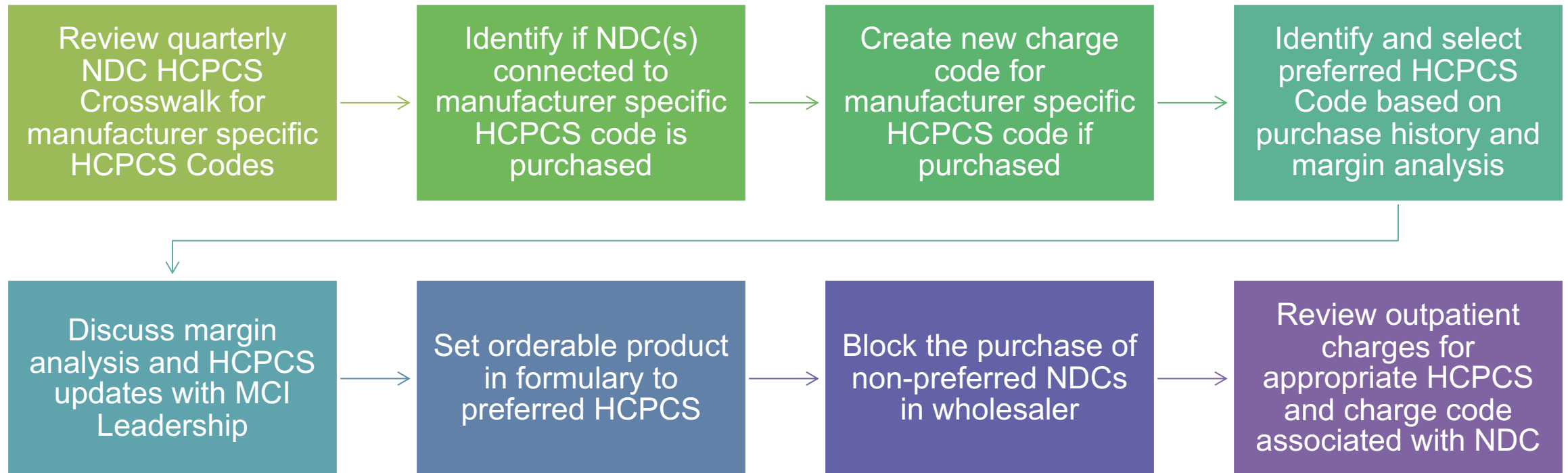
Estimated Margin Comparison



HCPCS Code	Product Description	NDC	Formulation Type	Drug Cost per 1000 mg Dose	Estimated Medicare Reimbursement per 1000 mg Dose	Medicare Margin per 1000 mg Dose
J9304	PEMETREXED 500 MG MDV 20 ML	42367-0531-33	Liquid MDV	\$4,220	\$7,755	\$3,535
J9305	PEMETREXED 500 MG SDV	70860-0203-50	Powder	\$507	\$1,714	\$1,207
J9297	PEMETREXED 500 MG SDV 20 ML	00781-3519-90	Liquid	\$223	\$916	\$692
J9297	PEMETREXED 100 MG SDV 4 ML	00781-3518-76	Liquid	\$225	\$916	\$691
J9314	PEMETREXED 500 MG SDV 20 ML	00480-4514-01	Liquid	\$985	\$1,340	\$355
J9314	PEMETREXED 100 MG SDV 4 ML	00480-4516-01	Liquid	\$1,005	\$1,340	\$335
J9296	PEMETREXED 100 MG SDV 4 ML	16729-0522-64	Liquid	\$665	\$974	\$308
J9296	PEMETREXED 500 MG SDV 20 ML	16729-0522-05	Liquid	\$665	\$974	\$307
J9296	PEMETREXED 1000 MG SDV 40 ML	16729-0522-35	Liquid	\$673	\$974	\$301
J9305	PEMETREXED 500 MG LYO PWD SDV	68001-0539-41	Powder	\$1,682	\$1,714	\$32
J9305	PEMETREXED 1 GM SDV	55150-0383-01	Powder	\$1,810	\$1,714	(\$95)
J9305	PEMETREXED 100 MG LYO PWD SDV	68001-0535-41	Powder	\$2,746	\$1,714	(\$1,032)
J9305	PEMETREXED 500 MG SDV	00002-7623-01	Powder	\$9,548	\$1,714	(\$7,834)
J9305	PEMETREXED 100 MG SDV	00002-7640-01	Powder	\$10,277	\$1,714	(\$8,563)

Note: Drug cost included for illustrative purposes only

Flow Chart





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