	Regulatory Compliance Policy	No.	COMP-RCC 4.05	
	Title:	Page:	1 of 3	
	BILLING AND DISCOUNTING OF OUTPATIENT SELF-ADMINISTERABLE DRUGS OR BIOLOGICALS TO MEDICARE PATIENTS	Effective Date:	02-23-17	
		Retires Policy Dated:	09-27-11	
		Previous Versions Dated:	08-01-08; 06-01-05	

I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or facility in which an Affiliate either manages or controls the day-to-day operations of the facility (each, a “Tenet Facility”) (collectively, “Tenet”).

II. PURPOSE:



The purpose of this policy is to ensure outpatient self-administerable drugs and biologicals are billed as non-covered charges to the Medicare program in accordance with applicable regulations, guidance, and Tenet policy.

III. POLICY:

Medicare, with certain exceptions, does not currently cover or reimburse for self-administerable¹ drugs or biologicals furnished to outpatients in the hospital outpatient setting. Outpatient self-administerable drugs and biologicals shall not be billed to Medicare as a covered service unless the item meets the definition of a self-administerable drug or biological for which Medicare provides reimbursement. (This policy does not apply to any patient covered by Tenet’s Compact With Uninsured Patients whose claims are covered by the terms of the Compact or to Medicaid, self-pay or any payer other than Medicare²).

¹Self-administerable drugs are defined as drugs or biologicals furnished for therapeutic purposes which are capable of being self-administerable, based on the usual method of administration of the form of that drug or biological as furnished by the physician. These are drugs in a dosage form that patients would typically take or use at home. Examples **include**, but are not limited to, oral tablets/capsules, oral liquids, topical preparations, and suppositories, although certain injectable drugs have been determined to be self-administered. Self-administerable drugs and biologicals that are covered by Medicare include blood clotting factors, drugs used for immunosuppressive therapy, EPO, certain oral anti-cancer drugs, and their associated antiemetics. In addition, there are circumstances under which self-administerable drugs and biologicals will be covered by Medicare, such as insulin administerable to a patient in diabetic coma. However, an insulin injection furnished to a diabetic patient during the course of an outpatient visit is not covered because it is normally self-administerable. Each drug and biological item needs to be evaluated individually for a determination of whether or not the item will be covered by Medicare.

² Contact Regional Counsel for guidance on whether the discounts set forth in this policy may be offered to self-pay patients or the beneficiaries of other payers that do not cover self-administerable drugs. If such discounts are offered, the amount of the discount shall be calculated by the same formula set forth in this policy.

 	Regulatory Compliance Policy	No.	COMP-RCC 4.05	
	Title:	Page:	2 of 3	
	BILLING AND DISCOUNTING OF OUTPATIENT SELF-ADMINISTERABLE DRUGS OR BIOLOGICALS TO MEDICARE PATIENTS	Effective Date:	02-23-17	
		Retires Policy Dated:	09-27-11	
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IV. PROCEDURE:

A. Corporate Standard Chargemaster Implementation



1. Corporate Chargemaster personnel will review and maintain each of the Tenet standard chargemasters and assign review code 25X as an Inpatient revenue code and code 637 as an Outpatient revenue code to all items that meet the definition of self-administerable drugs.
2. When Corporate Chargemaster personnel receive requests for new chargemaster items, Corporate Chargemaster personnel will determine whether each outpatient drug or biological is self-administerable and will enter that item into the Chargemaster.

B. Payer Billing

1. Outpatient self-administerable drugs shall be flagged as non-covered to Medicare patients in Facility Chargemasters with an Inpatient revenue code of 25X and an Outpatient revenue code of 637 in accordance with this policy.
2. Outpatient self-administerable drugs shall be included on the Medicare claim with a GY modifier, indicating Not Covered By Statute.

C. Medicare Beneficiary Billing

1. Outpatient self-administerable drugs may be billed to Medicare beneficiaries and/or their Supplemental or Secondary payors, or alternatively, may be written-off.
2. To the extent a Tenet Facility chooses to bill Medicare beneficiaries and/or their Supplemental or Secondary payors for self-administerable drugs, the Facility may elect to discount the charges.
3. A Tenet Facility must uniformly apply its policy regarding discounts or waivers on noncovered self-administerable drugs (*e.g.*, without regard to a beneficiary's diagnosis or type of treatment).
4. Waivers or discounts on self-administrable drugs shall not be advertised.
5. The Facility shall not later claim any amount waived or discounted as bad debt for payment purposes under Medicare or otherwise shift the burden

 	Regulatory Compliance Policy	No.	COMP-RCC 4.05	
	Title:	Page:	3 of 3	
	BILLING AND DISCOUNTING OF OUTPATIENT SELF-ADMINISTERABLE DRUGS OR BIOLOGICALS TO MEDICARE PATIENTS	Effective Date:	02-23-17	
		Retires Policy Dated:	09-27-11	
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of the reduction onto Medicare, a state health care program, other payers, or individuals.

D. Responsible Person

Each Tenet Facility Chief Financial Officer shall be responsible for assuring that all personnel adhere to the requirements of this policy, that these procedures are implemented and followed at the Facility, and that instances of noncompliance with this policy are reported to the Compliance Officer.

E. Enforcement

All employees whose job responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

V. REFERENCES:

- Centers for Medicare and Medicaid Services, Pub 100-02, Medicare Benefit Policy Manual, Chp 15, §50.2
- OIG Policy Statement Regarding Hospitals That Discount or Waive Amounts Owed by Medicare Beneficiaries for Self-Administered Drugs Dispensed in Outpatient Settings (October 29, 2015)