

PHARMACY ITEM CODING

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When new items are added to the hospital's Charge Description Master (sometimes called a Hospital Drug Code), the proper revenue and associated codes must be determined. In many facilities, this maintenance is shared by Pharmacy Services and Patient Accounts. In addition to the drug name, strength and cost or price, coding must be completed for a Revenue Code and, in some cases, for a HCPCS code. (This is commonly referred to as a "J code," since drug codes generally begin with the letter J.)

Each CDM item requires a Revenue Code. These 3-digit codes can be obtained from your Fiscal Intermediary. The best local source is generally the Patient Accounts department in your facility. Many drugs require only the Revenue Code, and no further (HCPCS) coding.

There are three levels of additional coding:

- CPT Codes. The AMA publishes an annual update of Current Procedural Terminology (CPT) codes. This provides a common billing language that many payors use. There are some drug products (such as some vaccines) that have this 5-digit code.
- HCPCS Level II Codes. The HCFA Common Procedure Coding System (HCPCS) are nationally used for Medicare and many other payors. There are a number of drugs (oncologic, antibiotic and other agents) that have a code, generally beginning with a J and followed by 4 digits. These are standard for Medicare (national) billing, and may (or may not) be used for non-Medicare billing.
- HCPCS Level III Codes. These are local codes, and are used for some newer agents that do not yet have a national code. Your Medicare Fiscal Intermediary provides you with these codes.

One reference is the St. Anthony's Coding and Reimbursement Guide. This is updated annually, and details the coding system.

Some coding hints include:

- J0120 - J8999 = drugs administered other than oral (exception: oral immunosuppressive drugs)
- J9000 - J9999 = primarily injectable chemo
- K = drugs administered via DME
- Q = temporary or new codes
- S = temporary, non-Medicare codes

Examples:

- Cyclophosphamide lyophilized has separate Jcodes for each of the commercially-available package size, so each package size has a different Jcode
- Alteplase only has a Jcode for 10 mg, despite the commercial package sizes of 50 mg and 100 mg. Your pharmacy computer system may be able to manipulate the entry so the proper label and billing is determined. If your system is not able to do that, you may need to manipulate your drug entry to only include "alteplase 10 mg" so the label and billing will be correct.
- Some items have a Jcode for only one strength, although multiple package sizes may be available. Carboplatin has a Jcode for 50 mg; the agent is available in 50 mg, 150 mg and 450 mg vials. Be careful if you manipulate the drug entries so that you do not set up the potential for medication errors with the approach you choose. For example, listing only the 50 mg for carboplatin has the potential for confusion with cisplatin or with other doses.
- Some items have a great potential for confusion. For example, the vinblastine Jcode is only per 1 mg. Vincristine has Jcodes for 1 mg, 2 mg and 5 mg. Be sure that your listing will not increase the possibility of confusion between these two agents.

Key Points

- The Director of Pharmacy or designee need a primary contact in patient accounts/billing office (coders)
- The Director of Pharmacy or designee needs to be on the distribution list for all coding information regarding drugs. Access to Fiscal Intermediary's Web site and HCFA Web site (www.hcfa.gov) may be helpful
- The Director of Pharmacy needs to be familiar with St. Anthony's Manual
- Check to be sure that all chemos (J9xxx) are properly coded
- Ask coders for the need to code other Jxxxx, Qxxxx, local codes
- Be aware that J-code may not match package size. There may be a need to manipulate CDMs or drug entries
- Anticipate J-codes for new chemo and/or expensive items