

Chapter 1

Section 40

Organ Acquisition Costs

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1.0 POLICY

The policy provides an equitable means of payment for reasonable organ acquisition services/ costs required to support quality transplant programs. Since TRICARE does not have any reporting mechanisms in place comparable to Medicare's costs reports (Centers for Medicare and Medicaid Services (CMS) Forms 2552 and 216) that can be utilized in the development of TRICARE specific organ acquisition costs, Medicare Standard Acquisition Charges (SACs) shall be used for reimbursement of the reasonable and necessary costs associated with solid organ acquisition. The complexity of the required reporting systems would be neither administratively feasible nor cost effective for establishment of TRICARE specific organ acquisition costs. The use of Medicare SACs would also be in accordance with the statutory provisions under 10 United States Code (USC) 1079(h) and 10 USC 1079(i)(2) that payments for institutional and individual providers be determined to the extent practicable in accordance with the same reimbursement rules as apply to payments to providers of services of the same type under Title XVIII of the Social Security Act.

1.1 Organ Acquisition Costs

1.1.1 Certified Transplant Centers (CTCs) are paid a prospective payment rate based on the reasonable and necessary costs associated with acquiring the organ (i.e., organ acquisition costs). The organ acquisition costs incurred by the CTC or Organ Procurement Organization (OPO), either hospital-based (HOPO) or independent (IOPO) are included on the appropriate organ acquisition cost center on its Medicare Cost Report (MCR) - Form CMS 2552 for CTCs/HOPOs and Form CMS 216 for IOPOs.

1.1.2 CTCs must develop two Medicare SACs based on costs expected to be reasonably and necessarily incurred in the acquisition of an organ:

- The SAC for acquiring a living donor organ; and
- The SAC for acquiring a cadaveric donor organ.

1.1.3 The SAC does not represent the acquisition cost of an individual organ. Instead, it is a charge which reflects an average of the total actual costs associated with procuring either a cadaveric donor organ or a living donor organ, by type of organ. When a CTC/HOPO provides an organ to another CTC or OPO, the CTC/HOPO that provides the organ must bill its SAC. When a CTC bills TRICARE for the transplant, it must use its Medicare SAC for the procured organ. The costs of procuring an organ cannot be billed directly to TRICARE because the procurement of an organ is not a covered service when performed independent of a TRICARE covered transplant.

1.2 Living Donor Standard Acquisition Charge

The living donor SAC is an average charge developed for each type of organ by estimating the reasonable and necessary costs expected to be incurred for services furnished to living donors and preadmission services furnished to recipients of living donor organs during the hospital's cost reporting period.

1.3 Cadaveric Donor Standard Acquisition Charges

The cadaveric donor SAC is an average charge developed for each type of organ by estimating the reasonable and necessary costs expected to be incurred in procuring cadaveric organs, combined with the expected costs of acquiring cadaveric organs from other sources.

1.4 Requirements For Organ Acquisition Reimbursement

CTCs are to be paid costs for organ acquisition reimbursement under TRICARE, under one of two methods:

1.4.1 Annually, by August 1st, each Managed Care Support Contractor (MCSC) shall survey all hospitals that had an organ acquisition cost within the past fiscal year, asking them to list their current Medicare SACs (living and cadaver organs) **as of August 1 of the current year**. Details for reporting the Medicare SACs are contained in DD Form 1423, Contract Data Requirements List (CDRL), located in Section J of the applicable contract. TRICARE will reimburse CTC's their Medicare SAC and if not obtainable, reimbursement will follow [paragraph 1.4.2](#).

1.4.2 If the Medicare SACs cannot be obtained from the CTC, the hospital's overall operating Cost-To-Charge Ratio (CCR) should be used to reduce charges in the Organ Acquisition Revenue Center codes (081X) to costs. This is the default payment method if SAC information is not transmitted to TRICARE. Such charges, costs and reimbursement are to be reported separately from the inpatient claim on a TRICARE Encounter Data Non-Institutional (TED-N) using Healthcare Common Procedure Coding System (HCPCS) code S2152, with the appropriate Pricing Rate Code (PRC).

2.0 EXCLUSIONS

The actual organ transplant that is paid a prospective payment system rate based on a Diagnosis Related Groups (DRGs).

2.1 Services Provided To Recipients

2.1.1 The services of a surgeon who performs an organ transplant and assumes responsibility for:

- The patient's postoperative surgical care for 60 days; or
- Both the postoperative surgical care and the related course of immunosuppressant therapy for 60 days.

2.1.2 Physician backbench standard preparation work, as defined by the Current Procedure Terminology (CPT) code, performed on organs transplanted into a recipient.

2.1.3 Laboratory tests performed for the recipient after the recipient leaves the CTC following the transplant.

2.2 Services Provided To Living Donors

2.2.1 Physician services to a living donor provided in connection with an organ donation to a TRICARE beneficiary. These services include the donor's organ excision and inpatient stay.

2.2.2 Follow-up services performed by the operating physician that are included in the 90-day global payment for the surgery.

2.2.3 Follow-up services billed by a physician other than the operating physician for up to three months following donation surgery.

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