

## Appendix B

# Medicare Payment Policy for Organ Transplant Procedures

Service	Payment recipient	Payment method
Organ procurement . . . . .	Hospital . . . . .	Paid through Medicare Part A based on actual Costs. <sup>a</sup>
	Physician . . . . .	Charges considered to be part of hospital costs and paid as part of those costs if organ obtained from a cadaver. Charges reimbursed directly on the basis of customary, prevailing, and reasonable charges if living-donor organ. No beneficiary coinsurance required.
Transplant procedure . . . . .	Hospital . . . . .	Paid through Medicare Part A's prospective payment system for hospital inpatient care. <sup>b</sup>
	Physician: <i>Heart, liver, and bone marrow transplants . . . . .</i>	Paid through Medicare Part B on basis of customary, prevailing, and reasonable charges. Patient pays Part B deductible and coinsurance.
	<i>Kidney transplants . . . . .</i>	Payment is the lesser of the customary/prevaling/reasonable charge or a maximum amount in a carrier's area for renal transplant surgery. Patient pays Part B deductible and coinsurance.

<sup>a</sup>For bone marrow transplants, the payment for acquisitions is included in the diagnosis-related group payment Under the Prospective payment System.  
<sup>b</sup>A few hospitals (e.g., certain cancer specialty hospitals) are not paid under the prospective payment system. Inpatient care in these hospitals is based on historical hospital-specific costs.

SOURCE: U.S. Health Care Financing Administration, Bureau of Policy Development, Division of Dialysis and Transplant Payment Policy, 1991.