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October 2020 Update of the Ambulatory Surgical Center (ASC) Payment System

MLN Matters Number: MM11963 | Related Change Request (CR) Number: 11963
Related CR Release Date: September 24, 2020 | Effective Date: October 1, 2020
Related CR Transmittal Number: R10366CP | Implementation Date: October 5, 2020

Note: We revised this article due to an updated Change Request (CR) 11963 that revised HCPCS code C9066 in Table 2 in the CR. That change is reflected in the article on page 3 (Table 2). We also revised the CR release date, transmittal number and link to the transmittal. All other information remains the same.

PROVIDER TYPE AFFECTED

This MLN Matters Article is for physicians, providers, and suppliers billing Medicare Administrative Contractors (MACs) for services subject to the Ambulatory Surgical Center (ASC) payment system.

PROVIDER ACTION NEEDED

This article is based on CR 11963 that informs you about the changes to and billing instructions for various payment policies implemented in the October 2020 ASC payment system update. As appropriate, this notification also includes updates to the HCPCS.

Make sure that your billing staffs are aware of these changes. See the Background and Additional Information Sections of this article for further details regarding these changes.

BACKGROUND

CR 11963 describes changes to and billing instructions for various payment policies implemented in the October 2020 ASC payment system update. As appropriate, CR 11963 also includes updates to the HCPCS, Calendar Year (CY) 2020 payment rates for separately payable procedures, services, drugs and biologicals, including descriptors for newly created Current Procedural Terminology (CPT) and Level II HCPCS codes. An October 2020 ASC Fee Schedule (ASCFS) File, an October 2020 ASC Payment Indicator (ASC PI) File, and an October 2020 ASC Drug File will be issued with CR 11963.

CR 11963 Key points

1. New HCPCS Codes Effective October 1, 2020

For the October 2020 Update, CMS is establishing a new code to describe the technology associated with vacuum aspiration of residual kidney stone debris after lithotripsy. CMS is establishing HCPCS code C9761 (Cystourethroscopy, with ureteroscopy and/or pyeloscopy,

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with lithotripsy (ureteral catheterization is included) and vacuum aspiration of the kidney, collecting system and urethra if applicable) to describe procedures utilizing calculus aspiration. For the October 2020 update, CMS is also establishing a new code to describe the technology associated with temporary prostatic implants with anchors and incisional struts. CMS is establishing HCPCS code C9769 to describe cystourethroscopy with the insertion of a temporary prostatic implant or stent with anchor and incisional struts.
Table 1 lists the long descriptors, short descriptors and ASC PIs for the HCPCS codes. Those codes, along with the short descriptors, ASC PIs, and payment rates are also listed in the October 2020 quarterly update of the ASC addenda.

Table 1– New HCPCS Codes Effective October 1, 2020

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9761	Cystourethroscopy, with ureteroscopy and/or pyeloscopy, with lithotripsy (ureteral catheterization is included) and vacuum aspiration of the kidney, collecting system and urethra if applicable.	Cysto, litho, vacuum kidney	J8
C9769	Cystourethroscopy, with insertion of temporary prostatic implant/stent with fixation/anchor and incisional struts	Cysto w/temp pros implant	J8

2. Drugs and Biologicals

a. New CY 2020 HCPCS Codes and Dosage Descriptors for Certain Drugs and Biologicals Receiving OPPS Pass-Through Status Effective October 1, 2020

Effective October 1, 2020, eight new HCPCS codes have been created for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available. The HCPCS codes, the long and short descriptors, and ASCPI are listed in Table 2.

Table 2 – New CY 2020 HCPCS Codes and Dosage Descriptors for Certain Drugs and Biologicals Receiving OPPS Pass-Through Status Effective October 1, 2020

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9060	Fluoroestradiol F18, diagnostic, 1 mCi	Fluoroestradiol F18	K2
C9062	Injection, daratumumab 10 mg and hyaluronidase-fihj	Daratumumab hyaluronidase	K2
C9064	Mitomycin pyelocalyceal instillation, 1 mg	Mitomycin pyelocalyceal inst	K2
C9065	Injection, romidepsin, non-lypohilized (e.g. liquid), 1mg	Romidepsin non-lyophilized	K2
C9066	Injection, sacituzumab govitecan-hziy, 2.5 mg	Sacituzumab govitecan-hziy	K2
C9067	Gallium ga-68, dotatoc, diagnostic, 0.01 mCi	Gallium ga-68 Dotatoc	K2
J7351	Injection, bimatoprost, intracameral implant, 1 microgram	Inj bimatoprost itc imp 1mcg	K2
J9227	Injection, isatuximab-irfc, 10 mg	Inj. isatuximab-irfc 10 mg	K2

b. Existing HCPCS Codes for Certain Drugs and Biologicals That Will Start to Receive Pass-Through Status Effective October 1, 2020

There are three (3) existing HCPCS codes for certain drugs and biologicals in the OPPS setting that will start to receive OPPS pass-through status beginning on October 1, 2020. Payment for these codes is also implemented in the ASC setting. These HCPCS codes are listed in Table 3.

Table 3 – Existing HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals receiving OPPS Pass-Through status Effective October 1, 2020

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
Q5112	Injection, trastuzumab-dttb, biosimilar, (ontruzant), 10 mg	Inj ontruzant 10 mg	K2
Q5113	Injection, trastuzumab-pkrb, biosimilar, (Herzuma), 10 mg	Inj herzuma 10 mg	K2
Q5121	Injection, infliximab-axxq, biosimilar, (avsola), 10 mg	Inj. avsola, 10 mg	K2

c. Drugs and Biologicals with Retroactive ASC PI change for the Period of July 1, 2020 through September 30, 2020

The ASC PI for HCPCS code Q5121 (Injection, infliximab-axxq, biosimilar, (avsola), 10 mg) for the period of July 1, 2020 through September 30, 2020 will be changed retroactively from ASC PI = "Y5" to ASC PI = "K2." This drug/biological is listed in Table 4.

Table 4 – Drugs and Biologicals with Retroactive ASC PI change for the Period of July 1, 2020 through September 30, 2020

HCPCS Code	Long Descriptor	Short Descriptor	New ASC PI	Effective Date
Q5121	Injection, infliximab-axxq, biosimilar, (avsola), 10 mg	Inj. avsola, 10 mg	K2	07/01/2020

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request contractor adjustment of the previously processed claims.

d. Other Established HCPCS Codes for Drugs and Biologicals as of October 1, 2020

Some new HCPCS codes are replacing existing codes that are deleted September 30, 2020. The HCPCS codes, along with the codes that they are replacing, when applicable, as well as the long and short descriptors, and ASC PI are listed in Table 5

Table 5 – Other Established HCPCS Codes for Drugs and Biologicals as of October 1, 2020

New HCPCS Code	Old HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
J1632	C9055	Injection, brexanolone, 1 mg	Inj., brexanolone, 1 mg	K2
J1738	C9059	Injection, meloxicam, 1 mg	Inj. meloxicam 1 mg	K2
J3032	C9063	Injection, eptinezumab-jjmr, 1 mg	Inj. eptinezumab-jjmr 1 mg	K2
J3241	C9061	Injection, teprotumumab-trbw, 10 mg	Inj. teprotumumab-trbw 10 mg	K2

e. HCPCS Code for Drug and Biological with Revised Descriptors Effective October 1, 2020

Both the long and short descriptors for HCPCS code J9305 will be revised on October 1, 2020. The new descriptors are reported in Table 6.

Table 6 – HCPCS Code for Drug and Biological with Revised Descriptors Effective October 1, 2020

HCPCS Code	Revised October 2020 Long Descriptor	Revised October 2020 Short Descriptor
J9305	Injection, pemetrexed, not otherwise specified, 10 mg	Inj. pemetrexed nos 10mg

f. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)

For CY 2020, payment for nonpass-through drugs and biologicals continues to be made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug or biological. In addition, in CY 2020, a single payment of ASP + 6 percent continues to be made for the Outpatient Prospective Payment System (OPPS) pass-through drugs and biologicals to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. Payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective October 1, 2020, can be found in the October 2020 update of ASC Addendum BB on the CMS website at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

g. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals with payment rates based on the ASP methodology may have their payment rates corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payment rates will be accessible on the CMS website on the first date of the quarter at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Restated-Payment-Rates.html.

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request contractor adjustment of the previously processed claims.

h. ASC Payment Indicator Change for J2325 and J2797

The drugs described by J2325 (injection, nesiritide, 0.1 mg) and J2797 (Injection, rolapitant, 0.5 mg) have been discontinued and are no longer available on the market. Effective October 1, 2020, the ASCPI for both of these codes is being changed to Y5= Non-Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.

3. New Skin Substitutes and Assignments Effective October 1, 2020

The payment for skin substitute products that do not qualify for hospital outpatient prospective payment system (OPPS) pass-through status are packaged into the OPPS payment for the associated skin substitute application procedure. This policy is also implemented in the ASC payment system. The skin substitute products are divided into two groups for packaging purposes: 1) high cost skin substitute products and 2) low cost skin substitute products. High cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by CPT codes 15271-15278. Low cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by HCPCS code C5271-C5278. All OPPS pass-through skin substitute products (ASC PI=K2) should be billed in combination with one of the skin application procedures described by CPT code 15271-15278. Table 7, lists 4 new skin substitute HCPCS codes that are active effective October 1, 2020. Table 7 also includes their assignment as either a high cost or a low cost skin substitute product.

Table 7 — New Skin Substitutes and Assignments Effective October 1, 2020

HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
Q4249	Amniply, per sq cm	N1	Low
Q4250	AmnioAMP-MP per sq cm	N1	Low
Q4254	Novafix dl per sq cm	N1	Low
Q4255	Reguard, topical use per sq	N1	Low

Note that ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

4. Skin Substitute Reassignment to the High Cost Skin Substitute Group as of October 1, 2020

There are three (3) skin substitute HCPCS codes that will be reassigned from the low cost skin substitute group to the high cost skin substitute group as of October 1, 2020. These codes are listed in Table 8.

Table 8 – Skin Substitute Reassignment to the High Cost Skin Substitute Group as of October 1, 2020

HCPCS Code	Short Descriptor	ASC PI	July 2020 Low/High Cost Skin Substitute Group	October 2020 Low/High Cost Skin Substitute Group
Q4205	Membrane graft or wrap sq cm	N1	Low	High
Q4226	Myown harv prep proc sq cm	N1	Low	High
Q4234	Xcellerate, per sq cm	N1	Low	High

5. Coverage Determinations

The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the ASC payment system does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

ADDITIONAL INFORMATION

The official instruction, CR11963, issued to your MAC regarding this change is available at https://www.cms.gov/files/document/r10366CP.pdf. .

If you have questions, your MACs may have more information. Find their website at http://go.cms.gov/MAC-website-list.

DOCUMENT HISTORY

Date of Change	Description
September 24, 2020	We revised this article due to an updated CR 11963 that revised HCPCS code C9066 in Table 2 in the CR. That change is reflected in the article on page 3 (Table 2). We also revised the CR release date, transmittal number and link to the transmittal. All other information remains the same.
September 11, 2020	Initial article released.