CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 1669	**Date: January 13, 2009**
	Change Request 6323

SUBJECT: January 2009 Update of the Ambulatory Surgical Center (ASC) Payment System

I. SUMMARY OF CHANGES: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the January 2009 ASC update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS). This recurring update applies to Pub. 100-04, chapter 14, sections 10.2 and 40.8

NEW / REVISED MATERIAL
**EFFECTIVE DATE: ***January 1, 2009
IMPLEMENTATION DATE: January 5, 2009

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	14/40/40.8/Payment When a Device is Furnished With No Cost or With Full or Partial Credit Beginning January 1, 2008

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Manual Instruction
Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1669	Date: January 13, 2009	Change Request: 6323

SUBJECT: January 2009 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: January 1, 2009

IMPLEMENTATION DATE: January 5, 2009

I. GENERAL INFORMATION

A. Background:

This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the January 2009 ASC update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Included in this notification are updated payment rates for selected separately payable drugs and biologicals, long descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG files), and the CY 2009 ASC payment rates for covered surgical and ancillary services (ASCFS file).

B. Policy:

a. Updated Core Based Statistical Areas (CBSA)

Table 1 below shows updates to four CBSAs recognized by CMS for ASC claims with dates of service on and after January 1, 2009. Contractor systems should be updated to reflect the CY 2009 CBSA as displayed in Table 1.

Table 1- January 1, 2009 Core Based Statistical Area (CBSA) Changes

COUNTY/STATE	FIPS CODE	2008 CBSA	2009 CBSA
Sarasota, Florida	12115	42260	14600
Chautauqua, New York	36013	27460	33
Garfield, Oklahoma	40047	21420	37
Stanly, North Carolina	37167	34	16740

b. Drugs and Biologicals with Payment Based on Average Sales Price (ASP) Effective January 1, 2009

In the CY 2009 OPPS/ASC final rule with comment period, it was stated that payments for separately payable drugs and biologicals based on the average sales prices (ASPs) will be updated on a quarterly basis as later quarter ASP submissions become available. Effective January 1, 2009, payment rates for many covered ancillary drugs and biologicals have changed from the values published in the CY 2009 OPPS/ASC final rule with comment period as a result of the new ASP calculations based on sales price submissions from the third quarter of CY 2008. In cases where adjustments to payment rates are necessary, the updated

payment rates will be incorporated in the January 2009 release of the ASC DRUG file. CMS is not publishing the updated payment rates in this Change Request implementing the January 2009 update of the ASC payment system. However, the updated payment rates effective January 1, 2009 for covered ancillary drugs and biologicals can be found in the January 2009 update of the ASC Addendum BB on the CMS Web site.

c. New HCPCS Codes for Drugs and Biologicals that are Separately Payable under the ASC Payment System as of January 1, 2009

For CY 2009, new Level II HCPCS codes have been created for reporting specific drugs and biologicals for which no previous payable HCPCS code existed. Thirty of the new Level II HCPCS codes for reporting drugs and biologicals are separately payable to ASCs for dates of service on or after January 1, 2009. The new Level II HCPCS codes, their payment indicators, and long descriptors are displayed in Table 2 below and are included in the January 2009 ASC DRUG file.

Table 2 - New Level II HCPCS Codes for Drugs and Biologicals Separately Payable under the ASC Payment System for CY 2009

HCPCS Code	CY 2009 Payment Indicator	Long Descriptor
C9245	K2	Injection, romiplostim, 10 mcg
C9246	K2	Injection, gadoxetate disodium, per ml
C9248	K2	Injection, clevidipien butyrate, 1 mg
J0641	K2	Injection, levoleucovorin calcium, 0.5 mg
J1267	K2	Injection, doripenem, 10 mg
J1453	K2	Injection, fosaprepitant, 1 mg
J1459	K2	Injection, immune globulin (privigen), intravenous, non-lyophilized (e.g. liquid), 500 mg
J1750	K2	Injection, iron dextran, 50 mg
J1930	K2	Injection, lanreotide, 1 mg
J1953	K2	Injection, levetiracetam, 10 mg
J2785	K2	Injection, regadenoson, 0.1 mg
J3101	K2	Injection, tenecteplase, 1 mg
J7186	K2	Injection, antihemophilic factor viii/von willebrand factor complex (human), per factor viii i.u.
J8705	K2	Topotecan, oral, 0.25 mg
J9033	K2	Injection, bendamustine hcl, 1 mg
J9207	K2	Injection, ixabepilone, 1 mg
J9330	K2	Injection, temsirolimus, 1 mg
J0132	K2	Injection, acetylcysteine, 100 mg
J0470	K2	Injection, dimercaprol, per 100 mg
J0550	K2	Injection, penicillin g benzathine and penicillin g procaine, up to 2,400,000 units
J0630	K2	Injection, calcitonin salmon, up to 400 units

J1212	K2	Injection, dmso, dimethyl sulfoxide, 50%, 50 ml
J1455	K2	Injection, foscarnet sodium, per 1000 mg
J2460	K2	Injection, oxytetracycline hcl, up to 50 mg
J2515	K2	Injection, pentobarbital sodium, per 50 mg
J2805	K2	Injection, sincalide, 5 micrograms
J3400	K2	Injection, triflupromazine hcl, up to 20 mg
J7191	K2	Factor viii (antihemophilic factor (porcine)), per i.u.
J7516	K2	Cyclosporin, parenteral, 250 mg
J9165	K2	Injection, diethylstilbestrol diphosphate, 250 mg
90296	K2	Diphtheria antitoxin, equine, any route
90378	K2	Respiratory syncytial virus immune globulin (rsv-igim), for intramuscular use, 50 mg, each
90665	K2	Lyme disease vaccine, adult sodate, for intramuscular use
90681	K2	Rotavirus vaccine, human, attenuated, 2 dose schedule, live, for oral use
90696	K2	Diphtheria, tetanus toxoids, acellular pertussis vaccine and poliovirus vaccine, inactivated (DTaP-IPV), when administered to children 4 through 6 years of age, for intramuscular use
90740	F4	Hepatitis B vaccine, dialysis or immunosuppressed patient dosage (3 dose schedule), for intramuscular use
90743	F4	Hepatitis B vaccine, adolescent (2 dose schedule), for intramuscular use
90744	F4	Hepatitis B vaccine, pediatric/adolescent dosage (3 dose schedule), for intramuscular use
90746	F4	Hepatitis B vaccine, adult dosage, for intramuscular use
90747	F4	Hepatitis B vaccine, dialysis or immunosuppressed patient dosage (4 dose schedule), for intramuscular use
Q4101	K2	Skin substitute, apligraf, per square centimeter
Q4102	K2	Skin substitute, oasis wound matrix, per square centimeter
Q4103	K2	Skin substitute, oasis burn matrix, per square centimeter
Q4104	K2	Skin substitute, integra bilayer matrix wound dressing (bmwd), per square centimeter
Q4105	K2	Skin substitute, integra dermal regeneration template (drt), per square centimeter
Q4106	K2	Skin substitute, dermagraft, per square centimeter
Q4107	K2	Skin substitute, graft jacket, per square centimeter

Q4108	K2	Skin substitute, integra matrix, per square centimeter
Q4110	K2	Skin substitute, primatrix, per square centimeter
Q4111	K2	Skin substitute, gammagraft, per square centimeter
Q4112	K2	Allograft, cymetra, injectable, 1cc
Q4113	K2	Allograft, graft jacket express, injectable, 1cc
Q4114	K2	Allograft, integra flowable wound matrix, injectable, 1cc

d. Updated Payment Rates for Certain HCPCS Codes Effective April 1, 2008 through June 30, 2008

The payment rates for six drugs and biologicals were incorrect in the April 2008 ASC DRUG file. The corrected payment rates are listed below and have been corrected in the revised April 2008 ASC DRUG file. The corrected rates are effective for services furnished on April 1, 2008 through implementation of the July 2008 update.

Table 3-Updated Payment Rates for Certain Drugs and Biologicals Effective April 1, 2008 through June 30, 2008

HCPCS Code	CY 2008 PI	Short Descriptor	Corrected Payment Rate
J0150	K2	Injection adenosine 6 MG	$12.71
J1626	K2	Granisetron HCl injection	$5.99
J2405	K2	Ondansetron hcl injection	$0.23
J2730	K2	Pralidoxime chloride inj	$83.17
J9208	K2	Ifosfomide injection	$36.77
J9209	K2	Mesna injection	$7.81

e. Updated Payment Rates for Certain Drugs and Biologicals Effective July 1, 2008 through September 30, 2008

The payment rates for nine drugs and biologicals were incorrect in the July 2008 ASC DRUG file. The corrected payment rates are listed below and have been corrected in the revised July 2008 ASC DRUG file. The corrected rates are effective for services furnished on July 1, 2008 through implementation of the October 2008 update.

Table 4-Updated Payment Rates for Certain Drugs and Biologicals Effective July 1, 2008 through September 30, 2008

CY 2008 HCPCS Code	CY 2008 PI	Short Descriptor	Corrected Payment Rate
J0150	K2	Injection adenosine 6 MG	$11.57
J1566	K2	Immune globulin, powder	$28.37
J1569	K2	Gammagard liquid injection	$34.66
J2730	K2	Pralidoxime chloride inj	$84.90
J7190	K2	Factor viii	$0.85
J7192	K2	Factor viii recombinant	$1.12
J7198	K2	Anti-inhibitor	$1.47
J8510	K2	Oral busulfan	$2.55
J9208	K2	Ifosfomide injection	$34.04

f. Updated Payment Rates for Certain Drugs and Biologicals Effective October 1, 2008 through December 31, 2008

The payment rates for two drugs and biologicals were incorrect in the October 2008 ASC DRUG file. The corrected payment rates are listed below and have been corrected in the revised October 2008 ASC DRUG file. The corrected rates are effective for services furnished on October 1, 2008 through implementation of the January 2009 update.

Table 5- Updated Payment Rates for Certain Drugs and Biologicals Effective October 1, 2008 through December 31, 2008

CY 2008 HCPCS Code	CY 2008 PI	Short Descriptor	Corrected Payment Rate
J1568	K2	Octagam injection	$35.58
J2323	K2	Natalizumab injection	$7.51

g. Correct Reporting of Drugs and Biologicals When Used As Implantable Devices

When billing for a biological for which the HCPCS code describes a product that is solely surgically implanted or inserted, and that is separately payable under the ASC payment system, the ASC should report the HCPCS code for the product. If the implanted biological is packaged, that is, not eligible for separate payment under the ASC payment system, the ASC should not report the biological product HCPCS code.

When billing for a biological for which the HCPCS code describes a product that may be either surgically implanted or inserted or otherwise applied in the care of a patient, ASCs should not report the HCPCS code for the product when the biological is used as an implantable device (including as a scaffold or an alternative to human or nonhuman connective tissue or mesh used in a graft) during surgical procedures. Under the ASC payment system, ASCs are provided a packaged payment for surgical procedures that includes the cost of supportive items. When using biologicals during surgical procedures as implantable devices, ASCs may include the charges for these items in their charge for the procedure.

h. Correct Reporting of Units for Drugs

ASCs are reminded to ensure that units of drugs administered to patients are accurately reported in terms of the dosage specified in the HCPCS long code descriptor. That is, units should be reported in multiples of the units included in the HCPCS descriptor. For example, if the description for the drug code is 6 mg, and 6 mg of the drug was administered to the patient, the units billed should be 1. As another example, if the description for the drug code is 50 mg, but 200 mg of the drug was administered to the patient, the units billed should be 4. ASCs should not bill the units based on the way the drug is packaged, stored, or stocked. That is, if the HCPCS descriptor for the drug code specifies 1 mg and a 10 mg vial of the drug was administered to the patient, bill 10 units, even though only 1 vial was administered. The HCPCS short descriptors are limited to 28 characters, including spaces, so short descriptors do not always capture the complete description of the drug. Therefore, before submitting Medicare claims for drugs and biologicals, it is extremely important to review the complete long descriptors for the applicable HCPCS codes.

i. Manual Updates for the No Cost/Full Credit and Partial Credit Device Payment Adjustment Policy

CMS is revising Chapter 4, section 40.8 to clarify correct coding and charging practices for devices furnished without cost or with a full or partial credit from the manufacturer.

For CY 2009, the list of procedures to which the no cost/full credit and partial credit device adjustment policy applies and the devices to which the policy applies are displayed in Attachments B and C, respectively, to this transmittal. The tables can also be found on the CMS Web site.

j. Attachments

Several attachments are provided to this transmittal that contractors may wish to use as references to support their ASC module updating and validation processes.

Attachment A: Surgical procedures and ancillary services that are newly payable in the ASC setting effective January 1, 2009.

Attachment B: Procedures to which the no cost/full credit and partial credit device adjustment policy applies.

Attachment C: Devices for which the “FB” or “FC” modifier must be reported with the procedure code when furnished at no cost or with full or partial credit.

II. BUSINESS REQUIREMENTS TABLE

Use“Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6323.1	Contractors shall download the January 2009 ASCFS from the CMS mainframe. FILENAME: MU00.@BF12390.ASC.CY09.FS.V1113C Note: The January 2009 ASCFS includes all updates to the CBSA values, list of ASC covered services and services and devices subject to the FB and FC modifier payment adjustment policy as identified in this transmittal. **Date of retrieval will be provided in a separate email communication from CMS**	X			X			X			
6323.2	Contractors shall incorporate updates to the Core Based Statistical Area (CBSA) into ASCFS module programming	X			X			X			
6323.2.1	Contractors shall modify their systems to incorporate the CBSA updates for jurisdictional ASCs in Sarasota, FL for dates of service beginning January 1, 2009. **From:** CBSA 42260 **To:** CBSA 14600	X			X			X			
6323.2.2	Contractors shall modify their systems to incorporate the CBSA update for jurisdictional ASCs in Chautauqua, NY for dates of service beginning January 1, 2009. **From:** CBSA 27460 **To:** CBSA 33	X			X			X			
6323.2.3	Contractors shall modify their systems to incorporate the CBSA update for jurisdictional ASCs in Garfield, OK for dates of service beginning January 1, 2009. **From:** CBSA 21420 **To:** CBSA 37	X			X			X			
6323.2.4	Contractors shall modify their systems to incorporate the CBSA update for jurisdictional ASCs in Stanly, NC for dates of service beginning January 1, 2009. **From:** CBSA 34 **To:** CBSA 16740	X			X			X			
6323.3	Medicare contractors shall download and install the January 2009 ASC DRUG file	X			X			X			

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	FILENAME: MU00.@BF12390.ASC.CY09.DRUG.JAN.E.V1218 **Date of retrieval will be provided in a separate email communication from CMS**										
6323.4	Medicare contractors shall download and install a revised April 2008 ASC DRUG file FILENAME: MU00.@BF12390.ASC.CY08.DRUG.APR.E.V1218 **Confirmation and date of retrieval will be provided in a separate email communication from CMS**	X			X			X			
6323.4.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service on or after April 1, 2008, but prior to July 1, 2008 and ; 2) Were originally processed prior to the installation of the revised April 2008 ASC DRUG File.	X			X			X			
6323.5	Medicare contractors shall download and install a revised July 2008 ASC DRUG file FILENAME: MU00.@BF12390.ASC.CY08.DRUG.JUL.E.V1218 **Confirmation and date of retrieval will be provided in a separate email communication from CMS**	X			X			X			
6323.5.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service on or after July 1, 2008, but prior to October 1, 2008 and ; 2) Were originally processed prior to the installation of the revised July 2008 ASC DRUG File.	X			X			X			
6323.6	Medicare contractors shall download and install a revised October 2008 ASC DRUG file	X			X			X			

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	FILENAME: MU00.@BF12390.ASC.CY08.DRUG.OCT.E.V1218 **Confirmation and date of retrieval will be provided in a separate email communication from CMS**										
6323.6.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service on or after October 1, 2008, but prior to January 1, 2009 and ; 2) Were originally processed prior to the installation of the revised October 2008 ASC DRUG File.	X			X			X			
6323.7	Contractors and CWF shall manually update the HCPCS file to reflect an ASC payment group value "YY" for HCPCS 28011.	X			X					X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6323.8	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X			X						

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

X-Ref Requirement Number	Recommendations or other supporting information:
	n/a

Section B: For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact(s): ASC Payment Policy: Chuck Braver at chuck.braver@cms.hhs.gov or 410-786-6719;. Carrier/ AB MAC Claims Processing Issues: Yvette Cousar at yvette.cousar@cms.hhs.gov or 410-786-2160.

Post-Implementation Contact(s): ASC Payment Policy: Chuck Braver at chuck.braver@cms.hhs.gov or 410-786-6719;. Carrier/ AB MAC Claims Processing Issues: Yvette Cousar at yvette.cousar@cms.hhs.gov or 410-786-2160.

VI. FUNDING

Section A: For *Carriers:*
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs)*:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachments

ASC Covered Surgical Procedures and Ancillary Services Added For CY 2009

HCPCS Code	Short Descriptor
0190T	Place intraoc radiation src
0191T	Insert ant segment drain int
0192T	Insert ant segment drain ext
15170	Acell graft trunk/arms/legs
15171	Acell graft t/arm/leg add-on
15175	Acellular graft, f/n/hf/g
15176	Acell graft, f/n/hf/g add-on
20696	Comp multiplane ext fixation
20697	Comp ext fixate strut change
34490	Removal of vein clot
36455	Bl exchange/transfuse non-nb
41530	Tongue base vol reduction
43273	Endoscopic pancreatoscopy
46930*	Destroy internal hemorrhoids
49324	Lap insertion perm ip cath
49325	Lap revision perm ip cath
49326	Lap w/omentopexy add-on
49652	Lap vent/abd hernia repair
49653	Lap vent/abd hern proc comp
49654	Lap inc hernia repair
49655	Lap inc hern repair comp
49656	Lap inc hernia repair recur
49657	Lap inc hern recur comp
55706	Prostate saturation sampling
62267	Interdiscal perq aspir, dx
64448	N block inj fem, cont inf
64449	N block inj, lumbar plexus
64455*	N block inj, plantar digit
64632*	N block inj, common digit
65756	Corneal trnspl, endothelial
77785	Hdr brachytx, 1 channel
77786	Hdr brachytx, 2-12 channel
77787	Hdr brachytx over 12 chan

CY 2009 ASC Covered Surgical Procedures to Which the No Cost/Full Credit and Partial Credit Device Adjustment Policy Applies

HCPCS Code	Short Descriptor
24361	Reconstruct elbow joint
24363	Replace elbow joint
24366	Reconstruct head of radius
25441	Reconstruct wrist joint
25442	Reconstruct wrist joint
25446	Wrist replacement
27446	Revision of knee joint
33206	Insertion of heart pacemaker
33207	Insertion of heart pacemaker
33208	Insertion of heart pacemaker
33212	Insertion of pulse generator
33213	Insertion of pulse generator
33214	Upgrade of pacemaker system
33224	Insert pacing lead & connect
33225	L ventric pacing lead add-on
33240	Insert pulse generator
33249	Eltrd/insert pace-defib
33282	Implant pat-active ht record
53440	Male sling procedure
53444	Insert tandem cuff
53445	Insert uro/ves nck sphincter
53447	Remove/replace ur sphincter
54400	Insert semi-rigid prosthesis
54401	Insert self-contd prosthesis
54405	Insert multi-comp penis pros
54410	Remove/replace penis prosth
54416	Remv/repl penis contain

	pros
55873	Cryoablate prostate
61885	Insrt/redo neurostim 1 array
61886	Implant neurostim arrays
62361	Implant spine infusion pump
62362	Implant spine infusion pump
63650	Implant neuroelectrodes
63655	Implant neuroelectrodes
63685	Insrt/redo spine n generator
64553	Implant neuroelectrodes
64555	Implant neuroelectrodes
64560	Implant neuroelectrodes
64561	Implant neuroelectrodes
64565	Implant neuroelectrodes
64573	Implant neuroelectrodes
64575	Implant neuroelectrodes
64577	Implant neuroelectrodes
64580	Implant neuroelectrodes
64581	Implant neuroelectrodes
64590	Insrt/redo pn/gastr stimul
65770	Revise cornea with implant
69714	Implant temple bone w/stimul
69715	Temple bne implnt w/stimulat
69717	Temple bone implant revision
69718	Revise temple bone implant
69930	Implant cochlear device

Attachment C

CY 2009 Devices for Which Modifier “FB” or “FC” Must be Reported with the Procedure Code When Furnished at No Cost or With Full or Partial Credit

Device HCPCS Code	Short Descriptor
C1721	AICD, dual chamber
C1722	AICD, single chamber
C1764	Event recorder, cardiac
C1767	Generator, neurostim, imp
C1771	Rep dev, urinary, w/sling
C1772	Infusion pump, programmable
C1776	Joint device (implantable)
C1778	Lead, neurostimulator
C1779	Lead, pmkr, transvenous VDD
C1785	Pmkr, dual, rate-resp
C1786	Pmkr, single, rate-resp
C1813	Prosthesis, penile, inflatab
C1815	Pros, urinary sph, imp
C1820	Generator, neuro rechg bat sys
C1881	Dialysis access system

Device HCPCS Code	Short Descriptor
C1882	AICD, other than sing/dual
C1891	Infusion pump, non-prog, perm
C1897	Lead, neurostim, test kit
C1898	Lead, pmkr, other than trans
C1900	Lead coronary venous
C2619	Pmkr, dual, non rate-resp
C2620	Pmkr, single, non rate-resp
C2621	Pmkr, other than sing/dual
C2622	Prosthesis, penile, non-inf
C2626	Infusion pump, non-prog, temp
C2631	Rep dev, urinary, w/o sling
L8614	Cochlear device/system
L8690	Aud osseo dev, int/ext comp

40.8 - Payment When a Device is Furnished With No Cost or With Full or Partial Credit Beginning January 1, 2008

(Rev.1669, Issued: 01-13-09, Effective: 01-01-09, Implementation: 01-05-09)

Contractors pay ASCs a reduced amount for certain specified procedures when a specified device is furnished without cost or for which either a partial or full credit is received (e.g., device recall). For specified procedure codes that include payment for a device, ASCs are required to include *modifier –FB* on the procedure code when a specified device is furnished without cost or for which full credit is received. If the ASC receives a partial credit of 50 percent or more of the cost of *a* specified device, the ASC is required to include *modifier –FC* on the procedure *code if the procedure is on the list of specified procedures to which the -FC reduction applies*. A single procedure code should not be submitted with both *modifiers –FB and -FC*. The pricing determination related to *modifiers –FB and -FC* is *made* prior to the application of multiple procedure payment reductions. Contractors adjust beneficiary coinsurance to reflect the reduced payment amount. *Tables listing the procedures and devices to which the payment adjustments apply, and the full and partial adjustment amounts, are available on the CMS Web site.*

In order to report that the *receipt of* a partial credit of 50 percent or more of the cost of a device, ASCs have the option of either: 1) Submitting the claim for the procedure to their Medicare contractor after the procedure's performance but prior to manufacturer acknowledgement of credit for a *specified* device, and subsequently contacting the contractor regarding a claims adjustment once the credit determination is made; or 2) holding the claim for the procedure until a determination is made by the manufacturer on the partial credit and submitting the claim with *modifier –FC* appended to the implantation procedure HCPCS code if the partial credit is 50 percent or more of the cost of the device. If choosing the first billing option, to request a claims adjustment once the credit determination is made, ASCs should keep in mind that the initial Medicare payment for the procedure involving the device is conditional and subject to adjustment.