



Related MLN Matters Article #: MM5026 **Revised**

Date Posted: May 10, 2006

Related CR #: 5026

Ambulatory Surgical Center (ASC) Claims Processing Manual Clarification

Key Words

MM5026, CR5026, R975CP, ASC

Provider Types Affected

Providers and suppliers of ambulatory surgical center (ASC) services

Note: The related article (MM5026) was revised on January 24, 2008, to add a reference to SE0742. SE0742 announced that CMS was implementing significant revisions to the payment system for ASC services beginning with services rendered on or after January 1, 2008. SE0742 may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0742.pdf> on the CMS website. All other information remains the same.

Key Points

- The effective date of the instruction is June 5, 2006.
- The implementation date is June 5, 2006.
- MLN Matters article MM5026 is for informational purposes.
- Change Request (CR) 5026 revises the *Medicare Claims Processing Manual*, Chapter 14 (Ambulatory Surgical Centers), Section 10.3 (Services Furnished in ASCs Which Are Not ASC Facility Services) and Section 10.4 (Coverage of Services in ASCs Which Are Not ASC Facility Services) to clarify policy, regarding the provision, coverage, and payment of services furnished in an ASC.
- Medicare conventionally reimburses ASCs in the form of a single payment that includes all "facility services" that the ASC furnishes in connection with a covered procedure.
- However, an ASC (perhaps as part of a medical complex that may include other entities, such as an independent laboratory, supplier of durable medical equipment, or a physician's office) may also furnish a number of covered items and services that are not considered facility services.
- Providers and suppliers should be aware that such entities, which are separate from the ASC, are covered separately under Part B.

- In general, the items or services that these entities provide are not considered ASC services. Therefore, they are not included in the ASC payment, but are rather covered and paid for under the applicable Part B provisions.
- Examples of such services include the following:
 - Physicians' services
 - Durable medical equipment (DME)
 - Implantable DME
 - Prosthetic devices
 - Ambulance services
 - Leg, arm, back and neck braces
 - Artificial legs, arms and eyes
 - Services of an independent laboratory.
- Table 1 in the Background section of MLN article MM5026 provides more details and examples of services **not** included in the ASC facility rate.
- The revised *Medicare Claims Processing Manual*, Chapter 14 (Ambulatory Surgical Centers), Section 10.3 (Services Furnished in ASCs Which Are Not ASC Facility Services) and Section 10.4 (Coverage of Services in ASCs Which Are Not ASC Facility Services) are attached to CR5026.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5026.pdf> on the CMS website.

More information about services not included in the ASC facility rate (and the coverage of such services) can be found by reviewing CR5026, which is available at

<http://www.cms.hhs.gov/Transmittals/downloads/R975CP.pdf> on the CMS website.

Providers with any questions should contact their carrier at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS website.