



MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

Related Change Request (CR) #: 4075

MLN Matters Number: MM4075

Related CR Release Date: September 30, 2005

Related CR Transmittal #: 690

Effective Date: October 1, 2005

Implementation Date: October 3, 2005

Fiscal Year (FY) 2006 Payment for Services Furnished in Ambulatory Surgical Centers (ASCs)

Note: This article was revised to contain Web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Ambulatory Surgical Centers (ASCs) billing Medicare carriers or intermediaries

Provider Action Needed

This instruction advises that the **current** ACS payment rates and wage index values **remain** in effect for FY 2006.

Background

Section 626(a) of the Medicare Modernization Act (MMA) mandates, for ASC payment rates, a zero percent increase for inflation in FY 2005, the last quarter of Calendar Year (CY) 2005, and each calendar year from CY 2006 through CY 2009.

Wage Index Values

The implementation of new wage index values for FY 2006 is deferred until the Centers for Medicare & Medicaid Services (CMS) has had an opportunity to determine the impact of changes in the FY 2006 inpatient hospital wage index on payment amounts for individual ASCs. Therefore, ***payments to ASCs for services furnished on or after October 1, 2005, will not change.***

Until further notice, Medicare carriers will continue to use the FY 2004 wage index to calculate payments to ASCs and continue to use the payment rates that were effective for services furnished on or after April 1, 2004.

Disclaimer

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The labor-related portion of ASC payment rates is defined currently as 34.45 percent of the payment rate. Carriers are currently using the FY 2004 hospital inpatient wage index to calculate payments for ASC services.

Transmittal AB-03-116 (CR2871), issued August 8, 2003, updated ASC facility payment rates for inflation and updated the wage index values used to adjust ASC payments for geographic wage differences effective for services furnished on or after October 1, 2003. CR2871 may be found at <http://www.cms.hhs.gov/Transmittals/Downloads/AB03116.pdf> on the CMS website.

Transmittal 51 (CR3082), issued February 4, 2004, notified contractors about a change in ASC payment rates effective April 1, 2004, resulting from enactment of Section 626(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). CR3082 may be found at <http://www.cms.hhs.gov/Transmittals/Downloads/R510tN.pdf> on the CMS website.

ASC Payment Group Rates

The ASC payment group rates will remain as follows:

Group 1	\$333	Group 6	\$826 (\$676 + \$150 for intraocular lenses (IOLs))
Group 2	\$446	Group 7	\$995
Group 3	\$510	Group 8	\$973 (\$823 + \$150 for IOLs)
Group 4	\$630	Group 9	\$1339
Group 5	\$717		

Additional Information

The CMS web site for ASC information can be found at <http://www.cms.hhs.gov/center/asc.asp> on the CMS website.

The official instruction issued to your carrier/intermediary regarding this change may be found at <http://www.cms.hhs.gov/transmittals/downloads/R690CP.pdf> on the CMS website.

If you have questions regarding this issue, please contact your carrier/intermediary at their toll-free number, which may be found at

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

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