

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



**News Flash** – The revised publication titled “Ambulatory Surgical Center Fee Schedule” (January 2011), is now available in print format. This fact sheet is designed to provide education on the Ambulatory Surgical Center (ASC) Fee Schedule and includes information about the definition of ASCs, ASC payments, and how payment rates are determined. To place your order, visit <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/index.html> on the CMS website, scroll down to “Related Links Inside CMS” and select “MLN Product Ordering Page.”

MLN Matters® Number: MM7343

Related Change Request (CR) #: 7343

Related CR Release Date: March 25, 2011

Effective Date: April 1, 2011

Related CR Transmittal #: R2185CP

Implementation Date: April 4, 2011

## **April 2011 Update of the Ambulatory Surgical Center (ASC) Payment System**

**Note:** This article was updated on August 20, 2012, to reflect current Web addresses. All other content remains the same.

### **Provider Types Affected**

This article is for ASCs, who submit claims to Medicare Administrative Contractors (MACs) and carriers, for services provided to Medicare beneficiaries paid under the ASC payment system.

### **Provider Action Needed**

This article is based on Change Request (CR) 7343 which describes changes to and billing instructions for payment policies implemented in the April 2011 ASC payment system update. CR 7343 also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

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## Background

Policy under the revised ASC payment system requires that ASC payment rates for covered separately payable drugs and biologicals be consistent with the payment rates under the Medicare hospital Outpatient Prospective Payment System (OPPS). Those rates are updated quarterly.

In addition, the other key ASC updates effective on April 1, 2011, are as follows:

### *New HCPCS Codes for Drugs and Biologicals Separately Payable under the ASC Payment System Effective April 1, 2011*

Four new HCPCS codes have been created for drugs that are payable as covered ancillary services for dates of service on and after April 1, 2011. The new HCPCS codes, the short descriptors, the long descriptors, and payment indicators are identified in Table 1 below.

The new separately payable drug and biological codes and their payment rates are included in the April 2011 ASC DRUG file.

**Table 1 – New Drugs and Biologicals Separately Payable under the ASC Payment System Effective April 1, 2011**

HCPCS Code	Long Descriptor	Short Descriptor	Payment Indicator Effective April 1, 2011
C9280	Injection, eribulin mesylate, 1 mg	Injection, eribulin mesylate	K2
C9281	Injection, pegloticase, 1 mg	Injection, pegloticase	K2
C9282	Injection, ceftaroline fosamil, 10 mg	Inj, ceftaroline fosamil	K2
Q2040*	Injection, incobotulinumtoxin A, 1 unit	Incobotulinumtoxin A	K2

**NOTE:** HCPCS code Q2040 is replacing HCPCS code C9278 beginning on April 1, 2011.

### *Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2010, through December 31, 2010*

The payment rates for several HCPCS codes were incorrect in the October 2010 ASC DRUG file. The corrected payment rates are listed in Table 2 below and have been included in the revised October 2010 ASC DRUG file effective for services furnished on October 1, 2010, through implementation of the January 2011 update. Suppliers who have received an incorrect payment for services provided on or between October 1, 2010, and December 31, 2010, may request their Medicare contractor to adjust the previously processed claims.

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**Table 2-Updated Payment Rates for Certain HCPCS Codes  
Effective October 1, 2010, through December 31, 2010**

HCPCS Code	Short Descriptor	ASC Payment Rate	ASC PI
J0833	Cosyntropin injection NOS	\$51.32	K2
J1451	Fomepizole, 15 mg	\$7.14	K2
J3030	Sumatriptan succinate / 6 MG	\$45.71	K2
J7502	Cyclosporine oral 100 mg	\$3.04	K2
J7507	Tacrolimus oral per 1 MG	\$3.18	K2
J9185	Fludarabine phosphate inj	\$162.67	K2
J9206	Irinotecan injection	\$7.45	K2
J9218	Leuprolide acetate injection	\$4.50	K2
J9263	Oxaliplatin	\$4.52	K2

***Updated Payment Rate for HCPCS Code Q4118 Effective January 1, 2011, through March 31, 2011***

The payment rate for HCPCS code Q4118 was incorrect in the January 2011 ASC DRUG file. The corrected payment rate is listed in Table 3 below and has been included in the revised January 2011 ASC Drug file, effective for services furnished on January 1, 2011, through implementation of the April 2011 update. Suppliers who think they may have received an incorrect payment between January 1, 2011, and the implementation of the April 2011 update, may request contractor adjustment of the previously processed claims.

**Table 3-Updated Payment Rate for HCPCS Code Q4118  
Effective January 1, 2011, through March 31, 2011**

HCPCS Code	Short Descriptor	ASC Payment Rate	ASC PI
Q4118	Matristem micromatrix	\$3.19	K2

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***Corrected Payment Indicator for HCPCS Code Q4119 Effective January 1, 2011, through March 31, 2011***

In the January 2011 Update, HCPCS code Q4119 was assigned to payment indicator "Y5." This payment indicator will be updated for the April 2011 Update. Specifically, the payment indicator for Q4119 will be updated from "Y5" to "K2" retroactive to January 1, 2011. The corrected payment indicator and payment rate is listed in Table 4 below and has been included in the revised January 2011 ASC Drug file, effective for services furnished on January 1, 2011, through implementation of the April 2011 update. Suppliers who think they may have received an incorrect payment between January 1, 2011, and March 31, 2011, inclusive, may request contractor adjustment of the previously processed claims.

**Table 4-Updated Payment Rate for HCPCS Code Q4119  
Effective January 1, 2011, through March 31, 2011**

HCPCS Code	Short Descriptor	ASC Payment Rate	ASC PI
Q4119	Matristem wound matrix	\$5.62	K2

***HCPCS Code Q1003 Deleted Effective April 1, 2011***

Effective April 1, 2011, HCPCS code Q1003 (New technology intraocular lens category 3 (reduced spherical aberration)) will no longer be reportable under the ASC payment system. ASCs were instructed to report HCPCS code Q1003 to bill for a Category 3 NTIOL associated with reduced spherical aberration from February 27, 2006, through February 26, 2011. As stated in the January 2011 ASC Update (Transmittal 2128, Change Request 7275, dated December 29, 2010), because this NTIOL category expired February 26, 2011, CMS assigned HCPCS code Q1003 to a packaged code indicator (PI= N1) for dates of service beginning February 27, 2011. Since HCPCS code Q1003 will be deleted, HCPCS code Q1003 will be reassigned from a packaged code indicator (PI=N1) to a deleted payment indicator (PI=D5) effective April 1, 2011.

## **Additional Information**

The official instruction, CR 7343 issued to your carrier and MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2185CP.pdf> on the CMS website.

If you have any questions, please contact your carrier or MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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