

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



News Flash – Has Medicare sent you a notice to revalidate your enrollment? If you are not sure, you can find lists of providers sent notices to revalidate their Medicare enrollment by scrolling to the "Downloads" section at http://www.CMS.gov/MedicareProviderSupEnroll/11_Revalidations.asp on the Centers for Medicare & Medicaid Services (CMS) website. That site currently contains links to lists of providers sent notices from September 2011, through January 2012. Information on revalidation letters sent in February will be posted in late March. For ease of reference, the lists are in order by National Provider Identifier and the date the notice was sent.

MLN Matters® Number: MM7854 **Revised**

Related Change Request (CR) #: CR 7854

Related CR Release Date: June 25, 2012

Effective Date: July 1, 2012

Related CR Transmittal #: R2491CP

Implementation Date: July 2, 2012

July 2012 Update of the Ambulatory Surgical Center (ASC) Payment System

This article was revised on June 26, 2012, to reflect the revised CR7854 issued on June 25. The article was revised to correct the references to "E5" in two of the asterisks notations to table 3 for J1680 and J9001, and in the description in paragraph d. that references table 4. These references should read "Y5". The CR release date, transmittal number, and the Web address for accessing the CR were also changed. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for physicians, other providers, and suppliers submitting claims to Medicare contractors (carriers and A/B Medicare Administrative Contractors (MACs)) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 7854 which informs Medicare contractors about the changes to and billing instructions for various payment policies implemented in the July 2012 Ambulatory Surgical Center (ASC) update. CR7854 applies to chapter 14, section 10 of the Medicare

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Claims Processing Manual. 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

1. New Category III CPT Codes that are Separately Payable Under the ASC Payment System Effective July 1, 2012

The American Medical Association (AMA) releases Category III Current Procedural Terminology (CPT) codes in January, for implementation beginning the following July, and in July, for implementation beginning the following January. The mid-year implementation of category III CPT codes in ASCs began with the implementation of the revised ASC payment system in January 2008.

For the July 2012 quarterly update, the Centers for Medicare & Medicaid Services (CMS) is implementing seven (7) Category III CPT codes that the AMA released in January 2012 for implementation on July 1, 2012. Five (5) of the seven (7) Category III CPT codes are separately payable under the ASC payment system. The Category III CPT codes and payment indicators are shown in Table 1 below. The payment rates, effective July 1, 2012, will be included in the July 2012 update of the ASC Payment system Addendum AA, which will be posted at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html and also in the July 2012 Ambulatory Surgical Center Fee Schedule (ASCFS) file.

Table 1 -- Category III CPT Codes Implemented as of July 1, 2012

CPT Code	Long Descriptor	Short Descriptor	ASC Payment Indicator (PI)
0302T	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation when performed and intra-operative interrogation and programming when performed; complete system (includes device and electrode)	Icar ischm mntrng sys compl	J8
0303T	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation when performed and intra-operative interrogation and programming when performed; electrode only	Icar ischm mntrng sys eltrd	G2

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CPT Code	Long Descriptor	Short Descriptor	ASC Payment Indicator (PI)
0304T	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation when performed and intra-operative interrogation and programming when performed; device only	Icar ischm mntrng sys device	J8
0307T	Removal of intracardiac ischemia monitoring device	Rmvl icar ischm mntrng dvce	G2
0308T*	Insertion of ocular telescope prosthesis including removal of crystalline lens	Insj ocular telescope prosth	G2

*Healthcare Common Procedure Coding System (HCPCS) code C9732 (Insertion of ocular telescope prosthesis including removal of crystalline lens) was deleted June 30, 2012, and replaced with CPT code 0308T effective July 1, 2012.

2. Instructions for Device Pass-Through Category C1840

Effective July 1, 2012, device pass-through category C1840 must be billed with CPT code 0308T (Insertion of ocular telescope prosthesis including removal of crystalline lens) to receive pass-through payment, because C9732 is deleted effective June 30, 2012, and replaced with CPT code 0308T. The ASC Code Pair File will be revised for the July 2012 update to reflect this change.

3. Billing for Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2012

Payment for separately payable drugs and biologicals based on the Average Sales Prices (ASPs) are updated on a quarterly basis as later quarter ASP submissions become available. In cases where adjustments to payment rates are necessary based on the most recent ASP submissions, we will incorporate changes to the payment rates in the July 2012 release of the ASC DRUG file. The updated payment rates, effective July 1, 2012, will be included in the July 2012 update of the ASC Payment system Addendum BB, which will be posted at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html on the CMS website.

b. New HCPCS Codes for Drugs and Biologicals Separately Payable under the ASC Payment System Effective July 1, 2012

Two drugs and biologicals have been granted ASC payment status effective July 1, 2012. These items, along with their descriptors and APC assignments, are identified in Table 2 below.

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Table 2 – New Separately Payable Drugs and Biologicals Effective July 1, 2012

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9368*	Grafix core, per square centimeter	Grafix core	K2
C9369*	Grafix prime, per square centimeter	Grafix prime	K2

NOTE: The HCPCS codes identified with an "*" indicate that these are new codes effective July 1, 2012.

c. New HCPCS Codes Effective July 1, 2012, for Separately Payable Drugs and Biologicals

Six (6) new HCPCS codes have been created for reporting certain drugs and biologicals (other than new pass-through drugs and biologicals listed above in Table 2) in the ASC payment system effective for services furnished on or after July 1, 2012. Five (5) of the six (6) HCPCS codes are separately payable under the ASC payment system. These codes are listed in Table 3 below and will be included in the July 2012 update of the ASC payment system Addendum BB which will be posted on the CMS web site and also in the July 2012 ASCFS file.

Table 3 -- New HCPCS Codes for Certain Drugs and Biologicals Effective July 1, 2012

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
Q2045*	Injection, human fibrinogen concentrate, 1 mg	Human fibrinogen conc inj	K2
Q2046**	Injection, aflibercept, 1 mg	Aflibercept injection	K2
Q2048***	Injection, doxorubicin hydrochloride, liposomal, doxil, 10 mg	Doxil injection	K2
Q2049	Injection, doxorubicin hydrochloride, liposomal, imported lipodox, 10 mg	Imported Lipodox inj	K2
Q2034	Influenza virus vaccine, split virus, for intramuscular use (Agriflu)	Agriflu vaccine	L1

* Level II HCPCS code J1680 (Injection, human fibrinogen concentrate, 100 mg) will be replaced with HCPCS code Q2045 effective July 1, 2012. The ASC payment indicator for HCPCS code J1680 will change to Y5, "Not payable by Medicare," effective July 1, 2012.

**Level II HCPCS code C9291 (Injection, aflibercept, 2 mg vial) will be deleted June 30, 2012, and replaced with HCPCS code Q2046 effective July 1, 2012.

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***Level II HCPCS code J9001 (Injection, doxorubicin hydrochloride, all lipid formulations, 10 mg) will be replaced with HCPCS code Q2048 effective July 1, 2012. The ASC payment indicator for HCPCS code J9001 will change to Y5, " Not payable by Medicare.," effective July 1, 2012.

d. Adjustment to the Payment Indicator for Certain HCPCS Codes Effective April 1, 2012

Effective April 1, 2012, the status indicators for several HCPCS codes listed in Table 4 below will change from ASC PI=Y5 (Not payable by Medicare) to ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.). For the remainder of CY 2012, these HCPCS codes will be separately paid and the price will be updated on a quarterly basis.

The payment rates for these HCPCS codes are listed in Table 4 below and have been included in the revised April 2012 ASC Drug file effective for services furnished on April 1, 2012, through the implementation of the July 2012 ASC quarterly update. Suppliers who have received an incorrect payment for dates of service between April 1, 2012, through June 30, 2012, may request contractor adjustment of the previously processed claims.

Table 4 -- Adjustment to ASC Payment Indicator for Certain Drugs and Biologicals Effective April 1, 2012

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI Effective 4/1/12
90581	Anthrax vaccine, for subcutaneous or intramuscular use	Anthrax vaccine sc or im	K2
J2265	Injection, minocycline hydrochloride, 1 mg	Minocycline hydrochloride	K2
J8650	Nabilone, oral, 1 mg	Nabilone oral	K2
Q0174	Thiethylperazine maleate, 10 mg, oral, fda approved prescription anti-emetic, for use as a complete therapeutic substitute for an iv anti-emetic at the time of chemotherapy treatment, not to exceed a 48 hour dosage regimen	Thiethylperazine maleate10mg	K2
Q4123	Alloskin rt, per square centimeter	Alloskin	K2
Q4125	Arthroflex, per square centimeter	Arthroflex	K2
Q4128	Flexhd or allopatch hd, per square centimeter	Flexhd or allopatch hd	K2
Q4129	Unite biomatrix, per sqauere centimeter	Unite biomatrix	K2

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Additional Information

The official instruction, CR7854 issued to your carrier and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2491CP.pdf> on the CMS website.

If you have any questions, please contact your carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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