

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



MLN Matters® Number: MM8675 **Revised**

Related Change Request (CR) #: CR 8675

Related CR Release Date: April 10, 2014

Effective Date: April 1, 2014

Related CR Transmittal #: R2927CP

Implementation Date: April 7, 2014

## **April 2014 Update of the Ambulatory Surgical Center (ASC) Payment System**

**Note: This article was revised on April 10, 2014, to reflect the revised CR8675 issued on April 10. In the article, the CR release date, transmittal number, and the Web address for accessing the CR are revised. 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) 8675 and is a recurring update that describes changes to and billing instructions for various **payment policies implemented in the April 2014 ASC update**. Make sure billing staff are aware of the changes.

### **Background**

This CR includes updates to the Healthcare Common Procedure Coding System (HCPCS). The update applies to Chapter 14 of the “Medicare Claims Processing Manual” (Ambulatory Surgical Centers). Make sure that your billing staffs are aware of these changes.

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## Key Points of CR8675

### New Services

New services, shown below and listed in CR8675, Attachment A, Table 1, are assigned for payment under the ASC Payment System, effective April 1, 2014.

HCPCS	Short Descriptor	Long descriptor	ASC PI
C9739	Cystoscopy prostatic imp 1-3	Cystourethroscopy, with insertion of transprostatic implant; 1 to 3 implants	G2
C9740	Cysto impl 4 or more	Cystourethroscopy, with insertion of transprostatic implant; 4 or more implants	G2

### Billing for Drugs, Biologicals, and Radiopharmaceuticals

- a. **Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2014:** Payments for separately payable drugs and biologicals based on the 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, CMS will incorporate changes to the payment rates in the April 2014 release of the ASC DRUG file. The updated payment rates, effective April 1, 2014, are included in the April 2014 update of the ASC, Addendum BB, which will be posted on the CMS website.
- b. **HCPCS Codes for Drugs and Biologicals Separately Payable under the ASC Payment System Effective April 1, 2014:** Two drugs and biologicals have been granted ASC payment status effective April 1, 2014. These items, along with their descriptors and ASC payment indicator, are shown below and are listed in CR8675, Attachment A, Table 2.

HCPCS Code	Long Descriptor	ASC Payment Indicator
C9021*	Injection, obinutuzumab, 10 mg	K2
C4121	Theraskin, per square centimeter	K2

**Note:** The HCPCS codes identified with an "\*" indicate that these are new codes effective April 1, 2014.

- c. **Revised ASC Payment Indicator for HCPCS Codes A9545, J1446, J7178, and Q0181:** Effective April 1, 2014, the payment indicator for HCPCS code A9545 (Iodine I-131 tositumomab, therapeutic, per treatment dose) will change from K2 to Y5 because the product associated with HCPCS code A9545 (brand name Bexxar) is no longer marketed.

Effective January 1, 2014, the payment indicator for HCPCS code J1446 (Injection, TBO-Filgrastim, 5 micrograms) will change from Y5 for K2 to indicate that the drug

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will be paid separately effective January 1, 2014. Suppliers who think they may have received an incorrect payment for dates of service January 01, 2014, through March 31, 2014, may request contractor adjustment of the previously processed claims.

Effective January 1, 2014, the payment indicator for HCPCS code J7178 (Injection, human fibrinogen concentrate, 1 mg) will change from N1 to K2 to indicate that the drug will be paid separately effective January 1, 2014. Suppliers who think they may have received an incorrect payment for dates of service January 01, 2014 through March 31, 2014, may request contractor adjustment of the previously processed claims.

Effective January 1, 2014, the payment indicator for HCPCS code Q0181 (Unspecified oral dosage form, FDA approved prescription anti-emetic, for use as) will change from Y5 to N1.

These codes are listed below and in CR8675, Attachment A, Table 3, along with the effective date for the revised payment indicator.

HCPCS Code	Long Descriptor	ASC PI	Effective Date
A9545	Iodine I-131 tositumomab, therapeutic, per treatment dose	Y5	4/1/2014
J1446	Injection, TBO-Filgrastim, 5 micrograms	K2	1/1/2014
J7178	Injection, human fibrinogen concentrate, 1 mg	K2	1/1/2014
Q0181	Unspecified oral dosage form, FDA approved prescription anti-emetic, for use as	N1	1/1/2014

- d. Updated Payment Rate for Certain HCPCS Codes Effective April 1, 2013, through June 30, 2013:** The payment rate for one HCPCS code was incorrect in the April 2013 ASC Drug File. The corrected payment rate is listed below and in CR8675, Attachment A, Table 4, and has been installed in the April 2014 ASC Drug File, effective for services furnished on April 01, 2013 through June 30, 2013. Suppliers who think they may have received an incorrect payment for dates of service April 1, 2014, through June 30, 2014, may request contractor adjustment of the previously processed claims

HCPCS Code	Short Descriptor	Corrected Payment Rate	ASC Payment Indicator
Q4127	Talymed	\$13.78	K2

- e. Updated Payment Rate for Certain HCPCS Codes Effective July 1, 2013, through September 30, 2013:** The payment rate for one HCPCS code was incorrect in the July 2013 ASC Drug File. The corrected payment rate is listed below and in CR8675, Attachment A, Table 5, and has been installed in the April 2014 ASC Drug File, effective for services furnished on July 01, 2013 through September 30, 2013. Suppliers

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who think they may have received an incorrect payment for dates of service July 01, 2013, through September 30, 2013, may request contractor adjustment of the previously processed claims.

HCPCS Code	Short Descriptor	Corrected Payment Rate	ASC Payment Indicator
Q4127	Talymed	\$13.78	K2

- f. Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2013, through December 1, 2013:** The payment rates for two HCPCS codes were incorrect in the October 2013 ASC Drug File. The corrected payment rates are listed below and in CR8675, Attachment A, Table 6, and have been installed in the April 2014 ASC Drug File, effective for services furnished on October 01, 2013, through December 31, 2013. Suppliers who think they may have received an incorrect payment for dates of service October 1, 2013 through December 31, 2013, may request contractor adjustment of the previously processed claims.

HCPCS Code	Short Descriptor	Corrected Payment Rate	ASC PI
J2323	Natalizumab injection	\$12.99	K2
Q4127	Talymed	\$13.78	K2

- g. Reassignment of Skin Substitute Products that are New for CY 2014 from the Low Cost Group to the High Cost Group:** In the CY 2014 OPPS/ASC final rule, CMS finalized a policy to package payment for skin substitute products into the associated skin substitute application procedure. For packaging purposes, CMS created two groups of application procedures: application procedures that use high cost skin substitute products (billed using CPT codes 15271-15278) and application procedures that use low cost skin substitute products (billed using HCPCS codes C5271-C5278). Assignment of skin substitute products to the high cost or low cost groups depended upon a comparison of the July 2013 payment rate for the skin substitute product to \$32, which is the weighted average payment per unit for all skin substitute products using the skin substitute utilization from the CY 2012 claims data and the July 2013 payment rate for each product. Skin substitute products with a July 2013 payment rate that was above \$32 per square centimeter are paid through the high cost group and those with a July 2013 payment rate that was at or below \$32 per square centimeter are paid through the low cost group for CY 2014. As a reminder, for CY 2015, CMS will follow their usual policy with regard to the specific quarterly ASP data sets used for proposed and final rule-making in that CMS will use April 2014 ASP data to establish the proposed rule

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low/high cost threshold and they will use July 2014 ASP data to establish the final low/high cost threshold for CY 2015.

CMS also finalized a policy that will use the \$32 per square centimeter threshold to determine mapping to the high or low cost skin substitute group for any new skin substitute products approved for payment during CY 2014. Any new skin substitute products without pricing information were assigned to the low cost category until pricing information becomes available. There were 9 new skin substitute products that were effective January 1, 2014, and that were assigned to the low cost payment group because pricing information was not available for these products at the time of the January 2014 update. There is now pricing information available for 3 of these 9 products. That information is listed below and in CR8675, Attachment A, Table 7, and it shows the 3 new products and their low/high cost status based on the comparison of the price per square centimeter for each product to the \$32 square centimeter threshold for CY 2014.

HCPCS Code	Long Descriptor	ASC PI	Low/High Cost Status
Q4143	Repriza, Per Square Centimeter	N1	Low
Q4147	Architect Extracellular Matrix, Per Square Centimeter	N1	High
Q4148	Neox 1k, Per Square Centimeter	N1	High

**h. Billing Guidance for the Topical Application of Mitomycin During Ophthalmic Surgery:** This is a reminder that ASCs are not permitted to bill HCPCS code J9280 (Injection, mitomycin, 5 mg) for the topical application of mitomycin.

**Coverage Determinations**

The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the ASC payment system does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Carriers/MACs determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, Carriers/MACs determine that it is reasonable and necessary to treat the beneficiary’s condition and whether it is excluded from payment.

**Additional Information**

The official instruction, CR 8675 issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2927CP.pdf> on the CMS website.

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

**News Flash** - Generally, Medicare Part B covers one flu vaccination and its administration per flu season for beneficiaries without co-pay or deductible. Now is the perfect time to vaccinate beneficiaries. Health care providers are encouraged to get a flu vaccine to help protect themselves from the flu and to keep from spreading it to their family, co-workers, and patients. Note: The flu vaccine is not a Part D-covered drug. For more information, visit:

- [MLN Matters® Article #MM8433](#), "Influenza Vaccine Payment Allowances - Annual Update for 2013-2014 Season"
- [MLN Matters® Article #SE1336](#), "2013-2014 Influenza (Flu) Resources for Health Care Professionals"
- [HealthMap Vaccine Finder](#) - a free, online service where users can search for locations offering flu and other adult vaccines. While some providers may offer flu vaccines, those that don't can help their patients locate flu vaccines within their local community.
- [Free Resources](#) can be downloaded from the CDC website including prescription-style tear-pads that will allow you to give a customized flu shot reminder to patients at high-risk for complications from the flu. On the CDC order form, under "Programs", select "Immunizations and Vaccines (Influenza/Flu)" for a list of flu related resources.

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