

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



New product from the Medicare Learning Network® (MLN)

- [Co-Surgery Not Billed with Modifier 62](#), Podcast (ICN 909209)  
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MLN Matters® Number: MM9207

Related Change Request (CR) #: CR 9207

Related CR Release Date: June 5, 2015

Effective Date: July 1, 2015

Related CR Transmittal #: R3279CP

Implementation Date: July 6, 2015

## July 2015 Update of the Ambulatory Surgical Center (ASC) Payment System

### Provider Types Affected

This MLN Matters® Article is intended for physicians and Ambulatory Surgical Centers (ASCs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### Provider Action Needed

Change Request (CR) 9207 informs MACs about changes to and billing instructions for various payment policies implemented in the July 2015 ASC payment system update and includes updates to the Healthcare Common Procedure Coding System (HCPCS). Make sure your billing staffs are aware of these changes.

### Key Points of CR9207

#### 1. New Device Pass-Through Category and Device Offset from Payment

Additional payments may be made to the ASC for covered ancillary services, including certain implantable devices with pass-through status under the Outpatient Prospective Payment System (OPPS). Section 1833(t)(6)(B) of the Social Security Act (the Act) requires

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that, under the OPPS, categories of devices be eligible for transitional pass-through payments for at least 2, but not more than 3 years. Section 1833(t)(6)(B)(ii)(IV) of the Act requires the creation of additional categories for transitional pass-through payment of new medical devices not described by current or expired categories of devices. This policy was implemented in the 2008 revised ASC payment system.

The Centers for Medicare & Medicaid Services (CMS) is establishing one new HCPCS device pass-through category as of July 1, 2015, for the OPPS and the ASC payment systems. HCPCS code C2613 (Lung biopsy plug with delivery system) is assigned ASC Payment Indicator (PI)= J7 (OPPS pass-through device paid separately when provided integral to a surgical procedure on ASC list; payment contractor-priced). The following table displays the new code, its short descriptor, long descriptor, payment indicator, and the device offset from payment (discussed below).

#### New Device Pass-Through Code Effective July 1, 2015

HCPCS	Short Descriptor	Long Descriptor	ASC PI	Device Offset from Payment
C2613	Lung bx plug w/del sys	Lung biopsy plug with delivery system	J7	\$24.83

**a. Device Offset from Payment:**

Beginning on and after the effective date of July 1, 2015, CMS will take a device offset when the C2613 device is billed with CPT Code 32405 (Biopsy, lung or mediastinum, percutaneous needle). The ASC Code Pair File will be used to establish the reduced ASC payment amount for CPT code 32405 (2.36% reduction) when billed with HCPCS code C2613.

**b. Application of Offset to CPT Codes 37224 and 37226 When Billed with C2623:**

In the April 2015 Update to the ASC Payment System (CR 9100), CMS determined that an offset would apply to CPT codes 37224 (Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal angioplasty), and 37226 (Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal stent placement(s), includes angioplasty within the same vessel, when performed); when billed with the C2623 device, because these codes already contained costs associated with the device that C2623 described. (For more information, please refer to the related Medicare Learning Network (MLN) Matters® article which you is at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9100.pdf> on the CMS website.)

After further review however, CMS has determined that the costs associated with C2623 are not packaged into CPT codes 37224 and 37226; and therefore, the aforementioned offset is not applied to them. This determination to not apply the device offset from payment will be

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retroactive to April 1, 2015. Suppliers who believe that they may have received an incorrect payment for CPT codes 37224 and 37226 impacted by these corrections, may request their MAC to adjust the previously processed claims.

**2. Category III CPT Codes**

The American Medical Association (AMA) releases Category III CPT codes twice per year: in January, for implementation beginning the following July, and in July, for implementation beginning the following January. For the July 2015 update, CMS is implementing in the OPSS two Category III CPT codes that the AMA released in January 2015 for implementation on July 1, 2015. Both Category III CPT codes are separately payable under the ASC payment system. The following table displays the CPT codes and their long and short descriptors, and payment indicators. Payment rates for these services are in the July 2015 ASC Update addenda that are available at

[http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11 Addenda Updates.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html) on the CMS website.

**Category III CPT Codes Implemented as of July 1, 2015**

CY 2015 CPT Code	Long Descriptor	Short Descriptor	July 2015 ASC PI
0392T	Laparoscopy, surgical, esophageal sphincter augmentation procedure, placement of sphincter augmentation device (ie, magnetic band)	Lap es sph augment dev place	G2
0393T	Removal of esophageal sphincter augmentation device	Es sph augmnt device removal	G2

**3. LINX Reflux Management System**

In January 2014, CMS established HCPCS code C9737 to describe the laparoscopic implantation of a magnetic esophageal ring for the treatment of Gastroesophageal Reflux Disease (GERD), which is the procedure associated with the LINX Reflux Management System. For the July 2015 update, the CPT Editorial Panel established CPT code 0392T (Laparoscopy, surgical, esophageal sphincter augmentation procedure, placement of sphincter augmentation device (e.g., magnetic band)) to describe the LINX Reflux Management System.

With the establishment of this CPT code, CMS is deleting HCPCS code C9737 effective June 30, 2015. Therefore, effective July 1, 2015, ASCs must report CPT code 0392T to report the implantation of a magnetic esophageal ring associated with the LINX Reflux Management System procedure.

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#### 4. Drugs, Biologicals, and Radiopharmaceuticals

##### a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2015

For CY 2015, payment for non pass-through drugs, biologicals and therapeutic radiopharmaceuticals is made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. Additionally, in CY 2015, a single payment of ASP + 6 percent for pass-through drugs, biologicals and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items.

Payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective July 1, 2015 are available in the July 2015 ASC Addendum BB at

[http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11\\_Addenda\\_Updates.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html) on the CMS website.

##### b. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals based on ASP methodology may have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible the first date of the quarter at <http://cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html> on the CMS website. Suppliers who believe that they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request their MAC to adjust the previously processed claims.

##### c. Drugs and Biologicals with OPPS Pass-Through Status Effective July 1, 2015

For July 2015, three new HCPCS codes are created for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available. The following table displays these new codes, their long and short descriptors and payment indicators.

#### Drugs and Biologicals with OPPS Pass-Through Status Effective July 1, 2015

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9453	Injection, nivolumab, 1 mg	Injection, nivolumab	K2
C9454	Injection, pasireotide long acting, 1 mg	Inj, pasireotide long acting	K2
C9455	Injection, siltuximab, 10 mg	Injection, siltuximab	K2 .

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**d. Revised Descriptor for HCPCS Code C9349**

Effective July 1, 2015, the descriptor for HCPCS code C9349 has changed. The following table displays the code and its previous and revised descriptors.

**Revised Descriptor for HCPCS Code C9349**

<b>HCPCS Code</b>	<b>Previous 2015 Short Descriptor</b>	<b>Previous 2015 Long Descriptor</b>	<b>Revised July 2015 Short Descriptor</b>	<b>Revised July 2015 Long Descriptor</b>
C9349	FortaDerm, FortaDerm Antimic	FortaDerm , and FortaDerm Antimicrobial, any type, per square centimeter	PuraPly, PuraPly Antimic	PuraPly, and PuraPly Antimicrobial, any type, per square centimeter

**e. Revised ASC Payment Indicators for HCPCS Codes 90620 and 90621**

Effective July 1, 2015, the payment indicators for HCPCS codes 90620 (Menb pr w/omv vaccine im) and 90621 (Menb rlp vaccine im) will change to PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.). The following table displays these codes, their long and short descriptors, and the new payment indicators.

**Drug and Biological with Revised Status Indicator**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
90620	Meningococcal recombinant protein and outer membrane vesicle vaccine, serogroup B, 2 dose schedule, for intramuscular use	Menb rp w/omv vaccine im	K2
90621	Meningococcal recombinant lipoprotein vaccine, serogroup B, 3 dose schedule, for intramuscular use	Menb rlp vaccine im	K2

**f. Other Changes to CY 2015 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals**

Effective July 1, 2015, HCPCS code Q9978 will replace HCPCS code C9448. The status indicator will remain K2, “Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.” The following table displays this code change and effective date.

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### Other Changes to CY 2015 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Added Date	Termination Date
C9448	Oral netupitant palonosetron	Netupitant 300mg and palonosetron 0.5 mg, oral	K2	04/01/2015	06/30/2015
Q9978	Netupitant Palonosetron oral	Netupitant 300 mg and Palonosetron 0.5 mg, oral	K2	07/01/2015	

#### 5. 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. MACs determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, 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, CR9207, issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3279CP.pdf> on the CMS website.

If you have questions please contact your MAC at their toll-free number. The number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work?

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