

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



MLN Matters® Number: MM9773

Related Change Request (CR) #: CR 9773

Related CR Release Date: August 26, 2016

Effective Date: October 1, 2016

Related CR Transmittal #: R3601CP

Implementation Date: October 3, 2016

October 2016 Update of the Ambulatory Surgical Center (ASC) Payment System

Provider Types Affected

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

Provider Action Needed

Change Request (CR) 9773 informs MACs about the updates to the ASC payment system, payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II Healthcare Common Procedure Coding System (HCPCS) codes for drugs and biologicals (ASC DRUG files), the ASC Payment Indicator (ASCPI) file, and the CY 2016 ASC payment rates for covered surgical and ancillary services (ASCFS file). Make sure that your billing staffs are aware of these changes.

Background

CR9773 contains updates to the ASC payment system, payment rates for separately payable drugs and biologicals, descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG files), the ASC PI file, and the CY 2016 ASC payment rates for covered surgical and ancillary services.. The key points of CR9773 are:

1. New Separately Payable Procedure Code Effective October 1, 2016

Effective October 1, 2016 a new HCPCS code C9744 has been created. Table 1, provides the short and long descriptors and the ASC PI for this new code.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.

Table 1 – New Separately Payable Procedure Code Effective October 1, 2016

HCPCS	Short Descriptor	Long Descriptor	ASC PI
C9744	Abd us w/contrast	Ultrasound, abdominal, with contrast	Z3

2. Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective October 1, 2016

For CY 2016, payment for non-pass-through drugs, biologicals, and therapeutic radiopharmaceuticals is made at a single rate of ASP plus 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. In CY 2016, a single payment of ASP plus 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 October 1, 2016, are available in the October 2016 ASC Addendum BB on the Centers for Medicare & Medicaid Services (CMS) website at

http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

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 on the CMS website on the first date of the quarter at <http://cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html>.

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request contractor adjustment of the previously processed claims.

c. New CY 2016 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective October 1, 2016

Four new HCPCS codes have been created for reporting drugs and biologicals in the ASC setting effective October 1, 2016. These new codes, their descriptors, and ASC payment indicators are listed in Table 2.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.

Table 2 – New CY 2016 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective October 1, 2016

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9139	Idelvion, 1 i.u.	Injection, Factor IX, albumin fusion protein (recombinant), Idelvion, 1 i.u.	K2
C9481	Injection, reslizumab	Injection, reslizumab, 1 mg	K2
C9482	Sotalol hydrochloride IV	Injection, sotalol hydrochloride, 1 mg	K2
C9483	Injection, atezolizumab	Injection, atezolizumab, 10 mg	K2

d. Revised Status Indicator for Biosimilar Biological Product

On April 5, 2016, a biosimilar biological product, Inflectra®, was approved by the Food and Drug Administration (FDA). Due to the unavailability of pricing information, Inflectra®, described by CPT code Q5102 (Injection, Infliximab, Biosimilar, 10 mg), is assigned ASC PI= E5 (Surgical procedure/item not valid for Medicare purposes because of coverage, regulation and or statute; no payment made) effective April 5, 2016. Inflectra® was previously assigned a payable payment status of ASC PI= K2 effective April 5, 2016, in the July 2016 update. The payment rate was \$0.00. No MAC adjustments or reprocessing of any previously processed claims for this HCPCS code is required.

3. Pass-through Device Offset Payment Amount

CR9773 reminds the MACs that the policy for separate payment of an ASC pass-through device was created to recognize the additional costs associated with using this higher cost device whose entire costs are not included in the associated procedure payment rate. Except for a pass-through device that has an FB/FC appended modifier, lower submitted charges/invoice/cost, or some other policy/processing scenario that would result in a reduced pass-through device payment amount, CMS would typically expect to see that ASCs would receive combined payment amounts for both the pass-through device and procedure that exceed the payment rate for that same procedure when it is not offset, and for which no pass-through device is submitted.

4. 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.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.

Additional Information

The official instruction, CR9773 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3601CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html>.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.