



# MLN Matters<sup>®</sup>



Information for Medicare Fee-For-Service Health Care Professionals

MLN Matters Number: MM3394

Related Change Request (CR) #: 3394

Related CR Release Date: August 27, 2004

Effective Date: October 1, 2004

Related CR Transmittal #: R288CP

Implementation Date: October 1, 2004

## **MMA-Ambulatory Surgical Center (ASC) Payment Rates and Wage Index Values Remain in Effect for Fiscal Year (FY) 2005**

**Note:** This article was updated on April 5, 2013, to reflect current Web addresses. All other information remains unchanged.

### **Provider Types Affected**

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Ambulatory surgical centers

### **Provider Action Needed**

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This instruction advises that the **current** ACS payment rates and wage index values **remain** in effect for FY 2005.

### **Background**

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Section 626(a) of the Medicare Modernization Act (MMA) mandates a zero (0) percent increase for inflation in FY 2005, the last quarter of calendar year 2005, and each calendar year from 2006 through 2009. The implementation of new wage index values for FY 2005 is deferred until CMS has had an opportunity to determine the impact of changes in the FY 2005 inpatient hospital wage index on payment amounts for individual ASCs. Therefore, **payments to ASCs for services furnished on or after October 1, 2004 will not change.**

Until further notice, carriers will continue to use the FY 2004 wage index to calculate payments to ASCs and the payment rates that were effective for services furnished on or after April 1, 2004.

The labor-related portion of ASC payment rates is defined currently as 34.45 percent of the payment rate. Carriers are currently using the FY 2004 hospital inpatient wage index to calculate payments for ASC services.

Transmittal AB-03-116 (CR 2871), issued August 8, 2003, updated ASC facility payment rates for inflation and updated the wage index values used to adjust ASC

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payments for geographic wage differences effective for services furnished on or after October 1, 2003.

CR2871 may be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/AB03116.pdf> on the CMS website. Transmittal 51 (CR 3082), issued February 4, 2004, notified contractors about a change in ASC payment rates effective April 1, 2004, resulting from enactment of section 626(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). CR3082 may be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R510TN.pdf> on the CMS website.

Effective for services furnished on or after October 1, 2004, the ASC payment group rates will remain as follows:

Group 1	\$333	Group 6	\$826 (\$676 + \$150 for intraocular lenses (IOLs))
Group 2	\$446	Group 7	\$995
Group 3	\$510	Group 8	\$973 (\$823 + \$150 for IOLs)
Group 4	\$630	Group 9	\$1339
Group 5	\$717		

## Additional Information

The Centers for Medicare & Medicaid Services (CMS) web site for Ambulatory Surgical Center Information can be found at <http://www.cms.gov/Center/Provider-Type/Ambulatory-Surgical-Centers-ASC-Center.html> on the CMS website.

The official instruction issued to your carrier/intermediary regarding this change may be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R288CP.pdf> on the CMS website.

If you have any questions regarding this issue, please contact your carrier/intermediary 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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