

MLN Matters Number: MM3471

Related Change Request (CR) #: 3471

Related CR Release Date: October 22, 2004

Effective Date: November 22, 2004

Related CR Transmittal #: R11GI

Implementation Date: November 22, 2004

## Manual Revision Regarding Waiver of Annual Deductible and Coinsurance for Both Ambulatory Surgery Centers (ASCs) and ASC/Hospital Outpatient Department Physician Services

**Note:** This article was updated on April 6, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

Hospitals outpatient departments billing for physician services, ASCs, and physicians

### Provider Action Needed



#### STOP – Impact to You

The Omnibus Budget Reconciliation Act (OBRA) 1986 and OBRA 1987 rescinded the waiver of the Medicare Part B coinsurance and deductible requirements for ASC facility services and ASC/hospital outpatient department physician services.



#### CAUTION – What You Need to Know

The Omnibus Budget Reconciliation Act (OBRA) 1986 and OBRA 1987 rescinded the waiver of the Medicare Part B coinsurance and deductible requirements for ASC facility services and ASC/hospital outpatient department physician services.



#### GO – What You Need to Do

ASCs and hospital outpatient department billing staffs are reminded to be familiar with these policies.

#### 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.

## Background

---

Effective April 1, 1988, section 4054 of OBRA 1987 (Public Law 100-203) imposed the Medicare Part B coinsurance and deductible requirements for physician services in connection with an ASC covered procedure that is performed in an ambulatory setting.

For any physician services furnished on or after April 1, 1988, in connection with an ASC covered procedure, performed in an ASC or in a hospital on an outpatient basis, Medicare pays 80 percent of the physician fee schedule amount. After the beneficiary deductible is met, the beneficiary is responsible for 20 percent of the physician fee schedule amount.

Section 9343(e) of OBRA 1986 (Public Law 99-509) imposed that for any procedure on the ASC list furnished in an ASC, Medicare pays 80 percent of the applicable ASC fee schedule amount for such services furnished to Medicare patients. After the beneficiary's deductible is met, the beneficiary is responsible for 20 percent of the applicable facility fee schedule amount for that facility service. This provision was made for services furnished on or after July 1, 1987.

## Additional Information

---

If you have additional questions, please contact your carrier 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.

### 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.