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Related Change Request (CR) #: 6184

Related CR Release Date: October 17, 2008

Effective Date: January 1, 2009

Related CR Transmittal #: R1616CP

Implementation Date: January 5, 2009

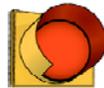
Implementation of an Ambulatory Surgical Center (ASC) Healthcare Common Procedure Coding System (HCPCS) Payment Indicator File

Note: See the MLN Matters® article MM6630 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6630.pdf> for an update regarding a correction regarding liability for intraocular lenses in the ASC Payment Indicator File discussed in this article.

Provider Types Affected

ASCs submitting claims to Medicare contractors (carriers and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for ASC services provided to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

This article is based on Change Request (CR) 6184 which provides Medicare contractors with instructions for implementing an Ambulatory Surgical Center (ASC) Healthcare Common Procedure Coding System (HCPCS) payment indicator file.



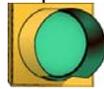
CAUTION – What You Need to Know

CR 6184 provides instructions to your Medicare contractor(s) to modify their systems to accept the new Ambulatory Surgical Center (ASC) Healthcare Common Procedure Coding System (HCPCS) Payment Indicator File and ensure that it properly interfaces with the other ASC files in order to process ASC claims

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appropriately. This new file will enable your Medicare contactor(s) to enhance the their ability to (1) identify all separately payable and non-separately payable (packaged) services, as well as non-payable services and (2) provide more precise messaging via remittance advice remark codes in the processing and disposition of ASC claims for all HCPCS codes submitted by ASCs.



GO – What You Need to Do

See the Background and Additional Information Sections of this article for further details regarding these changes.

Background

As required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA; Section 626 of), the Centers for Medicare & Medicaid Services (CMS) implemented a revised Ambulatory Surgical Center (ASC) payment system January 1, 2008.

CMS provided in CR 5680 (Transmittal 1325, August 29, 2007; see related MLN Matters article at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5680.pdf> on the CMS website) supporting ASC file record layouts of the ASC facility payment file (ASCFS) and ASC Drug File to interface with the instructions issued to implement the revised ASC payment system. The ASCFS includes rates for all services that are eligible for payment under the revised ASC payment system, except separately paid drugs and biologicals, and the ASC Drug File provides the rates for all drugs and biologicals that are eligible for separate payment under the revised ASC payment system.

Using defined “payment indicators” (72 FR 67189-67190; see <http://www.gpoaccess.gov/fr/retrieve.html> on the Internet), CMS identifies each covered service that is eligible for ASC payment and the payment methodology by which the payment amount is calculated. The payment indicators also indicate which services’ costs are packaged into the payment for other services and which surgical procedures are excluded from Medicare payment.

For Calendar Year (CY) 2008, Medicare contractors did not have access to the ASC payment indicators for all services and, therefore, were unable to accurately determine the specific reason for nonpayment in all cases, though the payment decisions made on the claims were correct.

CR 6184 announces that CMS is providing a file of the ASC payment indicators that are assigned to each HCPCS code in order to enhance the ability of Medicare contractors to identify both separately payable and non-separately payable (packaged) services, as well as non-payable services. This information will enable

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contractors to provide detailed messaging in the processing and disposition of ASC claims for all HCPCS codes submitted by ASCs.

In addition to the ASCFS and ASC Drug File(s), CMS is providing Medicare contractors with a more comprehensive list of HCPCS codes and the payment indicator assigned to each of the codes. Beginning January 1, 2009, Medicare contractors will be able to process ASC claims using the revised ASC HCPCS Code Payment Indicator file and will provide messaging to ASCs and beneficiaries, in part, based on the "messaging " provided in CR 6184. The specific payment indicators are identified in an attachment to CR6184.

Additional Information

The official instruction, CR 6184, issued to your carrier and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1616CP.pdf> on the CMS website. Attachment B of CR6184 contains the list of ASC payment indicators and their respective definitions.

If you have any questions, please contact your carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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