

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



REVISED product from the Medicare Learning Network® (MLN)

- [“837P and Form CMS-1500”](#) Web-Based Training (WBT) has been revised and is now available.

MLN Matters® Number: MM9297

Related Change Request (CR) #: CR 9297

Related CR Release Date: November 6, 2015

Effective Date: January 1, 2016

Related CR Transmittal #: R1572OTN

Implementation Date: April 4, 2016

Removal of Device Portion from Certain Discontinued Device-Intensive Ambulatory Surgical Center (ASC) Procedures Prior to the Administration of Anesthesia

Provider Types Affected

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

Provider Action Needed

Change Request (CR) 9297 informs providers that MACs will remove the device portion from certain device intensive ASC procedures when the ASC surgical or ancillary service procedure is terminated prior to anesthesia and Modifier 73 is on the claim.

Background

Currently, when an ASC covered surgical procedure or ancillary service is terminated prior to the administration of anesthesia, the ASC adds modifier 73 to the procedure line item on the claim.

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The Modifier 73 identifies a covered surgical procedure or ancillary service for which anesthesia is planned but discontinued after the patient is prepared and taken to the room where the procedure is to be performed but before anesthesia is administered. Medicare processes these line items by removing one-half of the full program allowance and the beneficiary copayment amounts when processing the 73 modifier.

Key Points

In the CY 2016 Outpatient Prospective Payment System/ASC) Final Rule, the Centers for Medicare & Medicaid Services (CMS) finalized a payment policy for device intensive covered surgical procedures which removes the unused device portion of the program payment prior to the program payment reduction when the 73 modifier is appended to the claim.

- This policy does not apply to procedures and services that are discontinued after the administration of anesthesia and include the 74 modifier.
- The MAC will identify and process device intensive procedures and services billed with the 73 modifier, by using the program payment amount appearing in the 'FB Mod Reduced Price' field on the ASC Fee Schedule (FS) record layout as the full program payment, with the device portion removed, prior to processing the 73 modifier payment calculations.
- If there is no payment amount in the FB Mod Reduced Price field of the ASCFS, then the procedure is not device intensive and this new policy would not apply.

To process claims correctly, when device intensive procedures and services are billed with the 73 modifier and FB (full device credit)/FC (partial credit received for replaced device) modifiers, the FB/FC modifier is ignored for this line item unused device, and the line item would continue to be processed as stated above.

For ASCs subject to the ASC Quality Reporting (QR) program payment reduction, contractors will use the procedure payment amount located in the respective Penalty FB Mod Reduced Price field on the ASCFS in place of the payment amount in the FB Mod Reduced Price field or the Penalty Price field on the ASCFS in place of the payment amount in the Price field, as appropriate.

In summary:

1. Effective for dates of service beginning January 1, 2016, when the 73 modifier is included on the ASC claim line, Medicare contractors will edit to determine if the ASCFS "FB Mod Reduced Price" field is zero filled.
2. If the corresponding "FB Mod Reduced Price" field is zero filled on the ASCFS, contractors will continue to apply the value in the ASCFS "Price" field.
3. If the ASC is subject to the ASCQR payment reduction, contractors, as appropriate, will use the payment from the "Penalty Price" field on the ASCFS instead of the "Price" field.

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4. If the corresponding “FB Mod Reduced Price” field is not zero filled on the ASCFS, contractors will apply the value contained in the ASCFS “FB Mod Reduced Price” field instead of the value in the ASCFS “Price” field.
5. If the ASC is subject to the ASCQR payment reduction, contractors, as appropriate, will use the payment from the "Penalty FB MOD Reduced Price" field on the ASCFS instead of the "FB MOD Reduced Price" field.
6. Medicare contractors will ignore the FB or FC modifier if submitted on the claim line with the 73 modifier, and allow the claim to process.

Additional Information

The official instruction, CR 9297 issued to your MAC regarding this change is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1572OTN.pdf> on the CMS website.

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-Net/work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

Each Office Visit is an Opportunity to Recommend Influenza Vaccination.

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- [Influenza Resources for Health Care Professionals](#) MLN Matters Article
- [CDC Influenza](#) website

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