

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1572</b>	<b>Date: November 6, 2015</b>
	<b>Change Request 9297</b>

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

**I. SUMMARY OF CHANGES:** This One-Time Notification (OTN) provides contractor instruction for removing the device portion from certain device intensive ASC procedures. This OTN applies to chapter 14 section 10.

**EFFECTIVE DATE: January 1, 2016**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: April 4, 2016**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revise information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One Time Notification**

# Attachment - One-Time Notification

<b>Pub. 100-20</b>	<b>Transmittal: 1572</b>	<b>Date: November 6, 2015</b>	<b>Change Request: 9297</b>
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**EFFECTIVE DATE: January 1, 2016**

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## I. GENERAL INFORMATION

**A. Background:** Currently, when an ASC covered surgical procedure or ancillary service is terminated prior to the administration of anesthesia, ASCs append the 73 modifier to the procedure line item on the claim.

The 73 modifier 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.

**B. Policy:** In the CY 2016 Outpatient Prospective Payment System/Ambulatory Surgical Center) Final Rule, 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.

Contractors will identify and process device intensive procedures and services billed with the 73 modifier, by utilizing the program payment amount appearing in the FB Mod Reduced Price field on the ASCFS 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, than the procedure is not a device intensive and this new policy would not apply.

To process claims correctly, when device intensive procedures and services are billed with the 73 and FB/FC 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 Ambulatory Surgical Center Quality Reporting (ASCQR) Program payment reduction, contractors shall utilize 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.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility			
		A/B MAC	D M E	Shared- System Maintainers	Other

		A	B	H H H	M A C	F I S S	M C S	V M S	C W F	
9297.1	Effective for dates of service beginning January 1, 2016, when the 73 modifier is included on the ASC claim line, contractors shall edit to determine if the ASCFS "FB Mod Reduced Price" field is zero filled.		X				X			
9297.1.1	If the corresponding "FB Mod Reduced Price" field is zero filled on the ASCFS, contractors shall continue to apply the value in the ASCFS "Price" field.		X				X			
9297.1.1.1	If the ASC is subject to the ASCQR payment reduction, contractors, as appropriate, shall utilize the payment from the "Penalty Price" field on the ASCFS instead of the "Price" field.		X				X			
9297.1.2	If the corresponding "FB Mod Reduced Price" field is not zero filled on the ASCFS, contractors shall apply the value contained in the ASCFS "FB Mod Reduced Price" field instead of the value in the ASCFS "Price" field.		X				X			
9297.1.2.1	If the ASC is subject to the ASCQR payment reduction, contractors, as appropriate, shall utilize the payment from the "Penalty FB MOD Reduced Price" field on the ASCFS instead of the "FB MOD Reduced Price" field.		X				X			
9297.2	Contractors shall ignore the FB or FC modifier if submitted on the claim line with the 73 modifier, and allow the claim to process.		X				X			

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A	B	H H H	M A C	CE DI
9297.3	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next		X			

Number	Requirement	Responsibility				
		A/B MAC			D M E	CE DI
		A	B	H H H		
	regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.					

#### IV. SUPPORTING INFORMATION

##### Section A: Recommendations and supporting information associated with listed requirements:

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	N/A

**Section B: All other recommendations and supporting information:** N/A

#### V. CONTACTS

**Pre-Implementation Contact(s):** Chuck Braver, 410-786-6719 or [chuck.braver@cms.hhs.gov](mailto:chuck.braver@cms.hhs.gov) (ASC Payment Policy) , Yvette Cousar, 410-786-2160 or [yvette.cousar@cms.hhs.gov](mailto:yvette.cousar@cms.hhs.gov) (Carrier/ AB MAC Claims Processing Issues)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

#### VI. FUNDING

##### Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 0**