

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 2662</b>	<b>Date: March 1, 2013</b>
	<b>Change Request 8237</b>

**SUBJECT: April 2013 Update of the Ambulatory Surgical Center (ASC) Payment System**

**I. SUMMARY OF CHANGES:** This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the April 2013 ASC payment system update. This Recurring Update Notification applies to Chapter 14, section 10.

**EFFECTIVE DATE: April 1, 2013**

**IMPLEMENTATION DATE: April 1, 2013**

*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/revised 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	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**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 obliged 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:**

**Recurring Update Notification**

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

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 2662	Date: March 1, 2013	Change Request: 8237
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**SUBJECT: April 2013 Update of the Ambulatory Surgical Center (ASC) Payment System**

**EFFECTIVE DATE: April 1, 2013**

**IMPLEMENTATION DATE: April 1, 2013**

## **I. GENERAL INFORMATION**

**A. Background:** This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the April 2013 ASC payment system update. This Recurring Update Notification applies to Chapter 14, section 10.

### **B. Policy: 1. New HCPCS Procedure Codes**

The new HCPCS procedure code listed in table 1, attachment A, is assigned for payment under the ASC Payment System effective April 1, 2013.

### **2. Billing for Drugs, Biologicals, and Radiopharmaceuticals**

#### **a. Drugs and Biologicals with Payments Based on Average Sale Price (ASP) Effective April 1, 2013**

Payments for separately payable drugs and biologicals based on ASPs are updated on a quarterly basis as later quarter ASP submissions become available. In cases where adjustments to payment rates are necessary based on the most recent ASP submissions, we will incorporate changes to the payment rates in the April 2013 ASC DRUG FILE. The updated payment rates, effective April 1, 2013 will be included in the April 2013 update of the ASC Addendum BB, which will be posted on the CMS Web site.

#### **b. Drugs and Biologicals with OPPS Pass-Through Status Effective April 1, 2013**

Five drugs and biologicals have been granted ASC payment status effective April 1, 2013. These items, along with their descriptors and ASC Payment Indicator (PI) assignments, are identified in table 2, attachment A.

#### **Additional Information on HCPCS Code C9298 (Injection, Ocriplasmin, 0.125 mg):**

Jetrea (ocriplasmin) is packaged in a sterile, single-use vial containing 0.5 mg ocriplasmin in a 0.2 mL solution for intravitreal injection (2.5 mg/mL). As approved by the FDA, the recommended dose for Jetrea (NDC 24856-0001-00) is 0.125 mg. Use of the contents of an entire single-use vial to obtain one recommended dose for one eye of one patient per the FDA-approved label would result in reporting 4 units of C9298 on a claim.

In addition, as indicated in 42 CFR § 414.904, CMS calculates an ASP payment limit based on the amount of product included in a vial or other container as reflected on the FDA-approved label, and any additional product contained in the vial or other container does not represent a cost to providers and is not incorporated into the ASP payment limit. In addition, no payment is made for amounts of product in excess of that reflected on the FDA-approved label.

#### **Additional Information Related to HCPCS Code J7315 (Mitomycin, ophthalmic, 0.2 mg):**

HCPCS Code J7315 should only be used for Mitosol and should not be used for compounded mitomycin or other forms of mitomycin.

**c. Flucelvax (Influenza virus vaccine)**

Flucelvax (Influenza virus vaccine) was approved by the Food and Drug Administration (FDA) on November 20, 2012. Although this vaccine recently received FDA approval, CPT code 90661 (Flu vacc cell cult prsv free), which was established by the CPT Editorial Panel effective January 1, 2008, describes Flucelvax. Beginning with the implementation of the ASCPI file on January 1, 2009, this code has been assigned to ASC payment indicator “Y5” (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made) because the product associated with this code had not received FDA approval until recently. Effective November 20, 2013, we are revising the ASC payment indicator for CPT code 90661 from “Y5” to “L1” (Influenza vaccine; pneumococcal vaccine. Packaged item/service; no separate payment made.). This change will be reflected in the April 2013 ASC PI file.

**d. Updated Payment Rates for Certain Drug, Biological, and Radiopharmaceutical HCPCS Codes Effective January 1, 2013 through March 31, 2013**

The payment rates for two HCPCS codes: J9263 and Q4106 were incorrect in the January 2013 ASC Drug File. The corrected payment rates are listed in table 3, attachment A, and have been installed in the revised January 2013 ASC Drug File, effective for services furnished on January 1, 2013 through March 31, 2013. Suppliers who received an incorrect payment for dates of service between January 1, 2013 and March 31, 2013 may request contractor adjustment of the previously processed claims.

**3. Coverage Determinations**

The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the ASC Payment System does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Carriers/Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, Carriers/MACs determine that it is reasonable and necessary to treat the beneficiary’s condition and whether it is excluded from payment.

**II. BUSINESS REQUIREMENTS TABLE**

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility										
		A/B MAC		D M E  M A C	F I	C A R I E R	R H R I	Shared- System Maintainers				O t h e r
P a r t  A	P a r t  B	F I S S	M C S					V M S	C M F			
8237.1	Contractors shall download and install the April 2013 ASCFS from the CMS mainframe.  FILENAME:  MU00.@BF12390.ASC.CY13.FS.APRA.V0222		X			X						C O B C  , E D

Number	Requirement	Responsibility										
		A/B MAC		D M E  M A C	F I	C A R R I E R	R H I	Shared- System Maintainers				O t h e r
		P a r t  A	P a r t  B					F I S S	M C S	V M S	C W F	
	<b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>											C s
8237.2	Medicare contractors shall download and install the April 2013 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY13.DRUG.APRA.V0222  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>		X				X					C O B C , E D C s
8237.3	Medicare contractors shall download and install the April 2013 ASC PI file.  FILENAME:  MU00.@BF12390.ASC.CY13.PI.APRA.V0222  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X				X					C O B C , E D C s
8237.4	Medicare contractors shall download and install a revised January 2013 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY13.DRUG.JANB.V0222  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>		X				X					C O B C , E D C s
8237.4.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service January 1, 2013 through March 31, 2013 and ;  2) Were originally processed prior to the installation of the revised January 2013 ASC DRUG File		X				X					C O B C , E D C s
8237.5	CWF shall add TOS=F to HCPCS C9735, C9130, C9297, C9298 and Q4127 (listed in tables 1 and 2 of										X	C O B

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				O t h e r
		P a r t  A	P a r t  B					F I S S	M C S	V M S	C W F	
	Attachment A) for claims with DOS on or after April 1, 2013.											C , E D C S
8237.6	Contractors shall modify the procedure code file and TOS tables for HCPCS code C9735, C9130, C9297, C9298 and Q4127 (listed in tables 1 and 2 of Attachment A), on/after April 1, 2013		X			X						C O B C , E D C S
8237.7	Contractors shall make the April 2013 ASCFS fee data for their ASC payment localities available on their web sites		X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Other				
		P a r t  A	P a r t  B									
8237.8	MLN Article : A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/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 one week of the availability of the provider education article. In addition, the provider education		X			X						

Number	Requirement	Responsibility					
		A/B MAC	D M E	F I	C A R R I E R	R H H I	Other
		P a r t  A	P a r t  B	M A C			
	article shall be included in the contractor's next 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:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
8237.2	Attachment A
8237.3	Attachment A
8237.1	Attachment A
8237.4	Attachment A
8237.4.1	Attachment A
8237.5	Attachment A
8237.6	Attachment A

##### Section B: All other recommendations and supporting information: Attachment A: POLICY SECTION TABLES

#### V. CONTACTS

**Pre-Implementation Contact(s):** Yvette Cousar, 410-786-2160 or yvette.cousar@cms.hhs.gov (Carrier/ AB MAC Claims Processing Issues) , Mark Baldwin, 410-786-8139 or mark.baldwin@cms.hhs.gov (Carrier/ AB MAC Claims Processing Issues) , Chuck Braver, 410-786-6719 or chuck.braver@cms.hhs.gov (ASC Payment Policy)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

## **VI. FUNDING**

### **Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:**

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

### **Section B: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do 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.

**ATTACHMENT(S): 1**

**POLICY SECTION TABLES****Table 1 – New HCPCS Procedure Code**

<b>HCPCS</b>	<b>Effective Date</b>	<b>Short Descriptor</b>	<b>Long Descriptor</b>	<b>ASC PI</b>
C9735	04-01-13	Anoscopy, submucosal inj	Anoscopy; with directed submucosal injection(s), any substance	G2

**Table 2 – HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective April 1, 2013**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>ASC PI</b>
C9130*	Injection, immune globulin (Bivigam), 500 mg	K2
C9297*	Injection, omacetaxine mepesuccinate, 0.01 mg	K2
C9298*	Injection, ocriplasmin, 0.125 mg	K2
J7315	Mitomycin, ophthalmic, 0.2 mg	K2
Q4127	Talymed, per square centimeter	K2

**Note:** The HCPCS codes identified with an “\*” indicate that these are new codes effective April 1, 2013.

**Table 3 – Updated Payment Rates for Certain Drugs, Biologicals, and Radiopharmaceuticals HCPCS Codes Effective January 1, 2013 through March 31, 2013**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
J9263	Oxaliplatin	\$3.95	K2
Q4106	Dermagraft	\$42.55	K2