

<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 2927</b>	<b>Date: April 10, 2014</b>
	<b>Change Request 8675</b>

**Transmittal 2901, dated March 07, 2014, is being rescinded and replaced by Transmittal 2927, dated April 10, 2014 to correct omission of Business Requirements 8675.11 and 8675.12 to support the needed revised January 2014 ASC Drug file instructions separately transmitted to contractors. This correction also updates the filenames in Business Requirements 8675.1 and 8675.3 that were separately transmitted to contractors in support of the "Protecting Access to Medicare Act of 2014" enacted on April 01, 2014. All other information remains the same.**

**SUBJECT: April 2014 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 2014 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

**EFFECTIVE DATE: April 1, 2014**

**IMPLEMENTATION DATE: April 7, 2014**

*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 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: 2927	Date: April 10, 2014	Change Request: 8675
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**SUBJECT: April 2014 Update of the Ambulatory Surgical Center (ASC) Payment System**

**EFFECTIVE DATE: April 1, 2014**

**IMPLEMENTATION DATE: April 7, 2014**

## I. GENERAL INFORMATION

**A. Background:** This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the April 2014 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

### B. Policy:

#### 1. New Services

New services listed in Table 1, Attachment A, are assigned for payment under the ASC Payment System, effective April 1, 2014.

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

**a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2014:** 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 2014 release of the ASC Drug File. The updated payment rates, effective April 1, 2014, will be included in the April 2014 update of the ASC Addendum BB, which will be posted on the CMS Web site.

**b. HCPCS Codes for Drugs and Biologicals Separately Payable under the ASC Payment System Effective April 1, 2014:** Two drugs and biologicals have been granted ASC payment status effective April 01, 2014. These items, along with their descriptors and ASC payment indicator, are identified in Table 2, Attachment A.

**c. Revised ASC Payment Indicator for HCPCS Codes A9545, J1446, J7178, and Q0181:** Effective April 1, 2014, the payment indicator for HCPCS code A9545 (Iodine I-131 tositumomab, therapeutic, per treatment dose) will change from S1 to Y5 because the product associated with HCPCS code A9545 (brand name Bexxar) is no longer marketed.

Effective January 1, 2014, the payment indicator for HCPCS code J1446 (Injection, TBO-Filgrastim, 5 micrograms) will change from Y5 to K2 to indicate that the drug will be paid separately effective as of January 1, 2014. Suppliers who think they may have received an incorrect payment for dates of service January 01, 2014 through March 31, 2014, may request contractor adjustment of the previously processed

claims.

Effective January 1, 2014, the payment indicator for HCPCS code J7178 (Injection, human fibrinogen concentrate, 1 mg) will change from N1 to K2 to indicate that the drug will be paid separately effective as of January 1, 2014.

Suppliers who think they may have received an incorrect payment for dates of service January 01, 2014 through March 31, 2014, may request contractor adjustment of the previously processed claims.

Effective January 1, 2014, the payment indicator for HCPCS code Q0181 (Unspecified oral dosage form, FDA approved prescription anti-emetic, for use as) will change from Y5 to N1.

These codes are listed in Table 3, Attachment A, along with the effective date for the revised payment indicator.

**d. Updated Payment Rate for Certain HCPCS Codes Effective April 1, 2013 through June 30, 2013:**

The payment rate for one HCPCS code was incorrect in the April 2013 ASC Drug File. The corrected payment rate is listed in Table 4, Attachment A, and has been installed in the April 2014 ASC Drug File, effective for services furnished on April 01, 2013 through June 30, 2013. Suppliers who think they may have received an incorrect payment for dates of service April 01, 2013 through June 30, 2013, may request contractor adjustment of the previously processed claims.

**e. Updated Payment Rate for Certain HCPCS Codes Effective July 1, 2013 through September 30, 2013:**

The payment rate for one HCPCS code was incorrect in the July 2013 ASC Drug File. The corrected payment rate is listed in Table 5, Attachment A, and has been installed in the April 2014 ASC Drug File, effective for services furnished on July 01, 2013 through September 30, 2013. Suppliers who think they may have received an incorrect payment for dates of service July 01, 2013 through September 30, 2013, may request contractor adjustment of the previously processed claims.

**f. Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2013 through December 1, 2013:**

The payment rates for two HCPCS codes were incorrect in the October 2013 ASC Drug File. The corrected payment rates are listed in Table 6, Attachment A, and have been installed in the April 2014 ASC Drug File, effective for services furnished on October 01, 2013 through December 31, 2013. Suppliers who think they may have received an incorrect payment for dates of service October 1, 2013 through December 31, 2013, may request contractor adjustment of the previously processed claims.

**g. Reassignment of Skin Substitute Products that are New for CY 2014 from the Low Cost Group to the High Cost Group:** In the CY 2014 OPPS/ASC final rule, we finalized a policy to package payment for skin substitute products into the associated skin substitute application procedure. For packaging purposes, we created two groups of application procedures: application procedures that use high cost skin substitute products (billed using CPT codes 15271-15278) and application procedures that use low cost skin substitute products (billed using HCPCS codes C5271-C5278). Assignment of skin substitute products to the high cost or low cost groups depended upon a comparison of the July 2013 payment rate for the skin substitute product to \$32, which is the weighted average payment per unit for all skin substitute products using the skin substitute utilization from the CY 2012 claims data and the July 2013 payment rate for each product. Skin substitute products with a July 2013 payment rate that was above \$32 per square centimeter are paid through the high cost group and those with a July 2013 payment rate that was at or below \$32 per square centimeter are paid through the low cost group for CY 2014. As a reminder, for CY 2015, we will follow our usual policy with regard to the specific quarterly ASP data sets used for proposed and final rule-making in that we will use April 2014 ASP data to establish the proposed rule low/high cost threshold and we will use July 2014 ASP data to establish the final low/high cost threshold for CY 2015.

We also finalized a policy that for any new skin substitute products approved for payment during CY 2014, we will use the \$32 per square centimeter threshold to determine mapping to the high or low cost skin substitute group. Any new skin substitute products without pricing information were assigned to the low cost





Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	email communication from CMS									
8675.6.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service October 1, 2013 through December 31, 2013 and;  2) Were originally processed prior to the installation of the revised October 2013 ASC DRUG File		X						EDCs	
8675.7	CWF shall add TOS=F to HCPCS C9739-C9740, and C9021 (listed in tables 1 and 2 of Attachment A) for claims with DOS on or after April 1, 2014.							X	COBC, EDCs	
8675.8	Contractors shall modify the procedure code file and TOS tables for HCPCS C9739-C9740, C9021, and (listed in tables 1 and 2 of Attachment A) for claims with DOS on or after April 1, 2014.		X						COBC, EDCs	
8675.9	Contractors shall make the April 2014 ASCFS fee data for their ASC payment localities available on their web sites.		X							
8675.10	Medicare contractors shall download and install a revised January 2014 ASC DRUG file.  FILENAME: MU00.@BF12390.ASC.CY14.DRUG.JANB.V0407		X						COBC, EDCs	
8675.11	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service January 1, 2014 through March 31, 2014 and;  2) Were originally processed prior to the installation of the revised January 2014 ASC DRUG File		X						EDCs	

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility		
		A/B MAC	D M E	C E D

		A	B	H H H	M A C	I
8675.12	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 one week of the availability of the provider education article. In addition, the provider education 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.		X			

#### 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:
2	Attachment A. – Tables for the Policy Section
1	Attachment A. – Tables for the Policy Section
3	Attachment A. – Tables for the Policy Section
4	Attachment A. – Tables for the Policy Section
4.1	Attachment A. – Tables for the Policy Section
7	Attachment A. – Tables for the Policy Section
5	Attachment A. – Tables for the Policy Section
5.1	Attachment A. – Tables for the Policy Section
6	Attachment A. – Tables for the Policy Section
6.1	Attachment A. – Tables for the Policy Section
8	Attachment A. – Tables for the Policy Section

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

#### V. CONTACTS

**Pre-Implementation Contact(s):** YVETTE COUSAR, 410-786-2160 or [yvette.cousar@cms.hhs.gov](mailto:yvette.cousar@cms.hhs.gov) (Carrier/ AB MAC Claims Processing Issues) , CHUCK BRAVER, 410-786-6719 or

chuck.braver@cms.hhs.gov (ASC Payment Policy) , MARK BALDWIN, 410-786-8139 or  
mark.baldwin@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):**

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**Attachment(s):** 1

**Attachment A. – Tables for the Policy Section**

**Table 1 – New Services Payable under ASC Payment System Effective April 1, 2014**

<b>HCPCS</b>	<b>Short Descriptor</b>	<b>Long descriptor</b>	<b>ASC PI</b>
C9739	Cystoscopy prostatic imp 1-3	Cystourethroscopy, with insertion of transprostatic implant; 1 to 3 implants	G2
C9740	Cysto impl 4 or more	Cystourethroscopy, with insertion of transprostatic implant; 4 or more implants	G2

**Table 2 – Drugs and Biologicals with OPPS Pass-Through Status Effective April 1, 2014**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>ASC PI</b>
C9021*	Injection, obinutuzumab, 10 mg	K2
Q4121	Theraskin, per square centimeter	K2

NOTE: HCPCS codes identified with an “\*” indicate that these are new codes effective April 1, 2014.

**Table 3 – Drugs and Biologicals with Revised ASC Payment Indicators**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>ASC PI</b>	<b>Effective Date</b>
A9545	Iodine I-131 tositumomab, therapeutic, per treatment dose	Y5	4/1/2014
J1446	Injection, TBO-Filgrastim, 5 micrograms	K2	1/1/2014
J7178	Injection, human fibrinogen concentrate, 1 mg	K2	1/1/2014
Q0181	Unspecified oral dosage form, FDA approved prescription anti-emetic	N1	1/1/2014

**Table 4 – Updated Payment Rates for Certain HCPCS Codes Effective April 1, 2013 through June 30, 2013**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
Q4127	Talymed	\$13.78	K2

**Table 5 – Updated Payment Rates for Certain HCPCS Codes Effective July 1, 2013 through September 30, 2013**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
Q4127	Talymed	\$13.78	K2

**Table 6 – Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2013 through December 31, 2013**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
J2323	Natalizumab injection	\$12.99	K2
Q4127	Talymed	\$13.78	K2

**Table 7– Changes in Low/High Cost Status for Certain Skin Substitute Codes Effective April 1, 2014**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>ASC PI</b>	<b>Low/High Cost Status</b>
Q4143	Repriza, Per Square Centimeter	N1	Low
Q4147	Architect Extracellular Matrix, Per Square Centimeter	N1	High
Q4148	Neox 1k, Per Square Centimeter	N1	High