

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3601	Date: August 26, 2016
	Change Request 9773

SUBJECT: October 2016 Update of the Ambulatory Surgical Center (ASC) Payment System

I. SUMMARY OF CHANGES: This recurring update notification updates the payment/billing policies and instructions for the October 2016 quarter of the ASC Payment System.

EFFECTIVE DATE: October 1, 2016

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

IMPLEMENTATION DATE: October 3, 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/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.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
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:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3601	Date: August 26, 2016	Change Request: 9773
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SUBJECT: October 2016 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: October 1, 2016

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

IMPLEMENTATION DATE: October 3, 2016

I. GENERAL INFORMATION

A. Background: Included in this notification are updates to the ASC payment system, payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG files), the ASC PI file, and the CY 2016 ASC payment rates for covered surgical and ancillary services (ASCFS file).

B. Policy: 1. New Separately Payable Procedure Code Effective October 1, 2016

Effective October 1, 2016 a new HCPCS code C9744 has been created. Table 1, provides the short and long descriptors and the ASC payment indicator for this new code. (see Attachment A: Policy Section Tables).

2. Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective October 1, 2016

For CY 2016, payment for nonpass-through drugs, biologicals and therapeutic radiopharmaceuticals is made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. In CY 2016, a single payment of ASP + 6 percent for pass-through drugs, biologicals and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. Payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective October 1, 2016 can be found in the October 2016 ASC Addendum BB on the Centers for Medicare & Medicaid Services (CMS) Web site at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html .

b. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals based on ASP methodology may have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible on the CMS Web site on the first date of the quarter at <http://cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html>

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request contractor adjustment of the previously processed claims.

c. New CY 2016 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective October 1, 2016

Four new HCPCS codes have been created for reporting drugs and biologicals in the ASC setting effective October 1, 2016. These new codes, their descriptors, and ASC payment indicators are listed in Table 2. (see

Number	Requirement	Responsibility									
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers				Other	
		A	B			F I S S	M C S	V M S	C W F		
9773.2	<p>Medicare contractors shall download and install the October 2016 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY16.DRUG.OCTA.V0923</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDCs	
9773.3	<p>Medicare contractors shall download and install the October 2016 ASC PI file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY16.PI.OCTA.V0909</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDCs	
9773.4	<p>Contractors and CWF shall add TOS F for HCPCS that are included in attachment A, tables 1-2, effective for services October 1, 2016 and later payable in the ASC setting.</p>		X						X		
9773.5	<p>If released by CMS, Medicare contractors shall download and install the revised July 2016 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY16.DRUG.JULB.V0923</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDCs	
9773.5.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p>		X								

Number	Requirement	Responsibility									
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers				Other	
		A	B			F I S S	M C S	V M S	C W F		
	<p>1) Have dates of service July 1, 2016- September 30, 2016 and ;</p> <p>2) Were originally processed prior to the installation of the revised July 2016 ASC DRUG File.</p>										
9773.6	<p>If released by CMS, Medicare contractors shall download and install the revised April 2016 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY16.DRUG.APRC.V0923</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDCs	
9773.6.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service April 1, 2016- June 30, 2016 and ;</p> <p>2) Were originally processed prior to the installation of the revised April 2016 ASC DRUG File.</p>		X								
9773.7	<p>If released by CMS, Medicare contractors shall download and install the revised January 2016 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY16.DRUG.JAND.V0923</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDCs	
9773.7.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service January 1, 2016- March 31, 2016 and ;</p>		X								

Number	Requirement	Responsibility									
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers				Other	
		A	B			F I S S	M C S	V M S	C W F		
	2) Were originally processed prior to the installation of the revised January 2016 ASC DRUG File.										
9773.8	If released by CMS, Medicare contractors shall download and install the revised October 2015 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY15.DRUG.OCTD.V0923 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X								VDCs
9773.8.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service October 1, 2015- December 31, 2015 and ; 2) Were originally processed prior to the installation of the revised October 2015 ASC DRUG File.		X								
9773.9	Contractors shall make October 2016 ASCFS fee data for their ASC payment localities available on their web sites.		X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC			H H H	D M E M A C	C E D I	I
		A	B	F I S S				
9773.10	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will		X					

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
	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 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:
4	Attachment A: POLICY SECTION TABLES

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

V. CONTACTS

Pre-Implementation Contact(s): Mark Baldwin, 410-786-8139 or mark.baldwin@cms.hhs.gov (AB MAC Claims Processing Issues) , Chuck Braver, 410-786-6719 or chuck.braver@cms.hhs.gov (ASC Payment Policy) , Yvette Cousar, 410-786-2160 or yvette.cousar@cms.hhs.gov (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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ATTACHMENTS: 1

POLICY SECTION TABLES

Table 1 – New Separately Payable Procedure Code Effective October 1, 2016

HCPCS	Short Descriptor	Long Descriptor	ASC PI
C9744	Abd us w/contrast	Ultrasound, abdominal, with contrast	Z3

Table 2 – New CY 2016 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective October 1, 2016

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9139	Idelvion, 1 i.u.	Injection, Factor IX, albumin fusion protein (recombinant), Idelvion, 1 i.u.	K2
C9481	Injection, reslizumab	Injection, reslizumab, 1 mg	K2
C9482	Sotalol hydrochloride IV	Injection, sotalol hydrochloride, 1 mg	K2
C9483	Injection, atezolizumab	Injection, atezolizumab, 10 mg	K2