

<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 711</b>	<b>Date: May 28, 2010</b>
	<b>Change Request 7010</b>

**Change Request 7010, Transmittal 711, sent on May 28, 2010, is no longer sensitive. The transmittal number, date issued and all other information remain the same.**

**SUBJECT: Revised Payment Files for the 2010 Ambulatory Surgical Center Payment System**

**I. SUMMARY OF CHANGES:** Many ASC payment rates under the ASC payment system are established using payment rate information in the Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS). This change request (CR) amends those payment files to reflect retroactive provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152. The Affordable Care Act required retroactive changes to the CY 2010 OPPS and MPFS payment rates. This CR also amends those payment files to include changes to the MPFS payment amounts as a result of practice expense (PE) and malpractice relative value unit (RVU) corrections. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files retroactive to January 1, 2010.

**EFFECTIVE DATE: \*January 1, 2010**

**IMPLEMENTATION DATE: June 21, 2010**

*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; Contractor activities are to be carried out within 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 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**

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

# Attachment – One Time Notification

Pub. 100-20	Transmittal: 711	Date: May 28, 2010	Change Request: 7010
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**SUBJECT: Revised Payment Files for the 2010 Ambulatory Surgical Center Payment System**

**EFFECTIVE DATE:** January 1, 2010

**IMPLEMENTATION DATE:** June 21, 2010

## **I. GENERAL INFORMATION**

**A. Background:** Payment files were issued to contractors based upon the calendar year (CY) 2010 Changes to the Hospital Outpatient Prospective Payment System and CY 2010 Payment Rates; Changes to the Ambulatory Surgical Center Payment System and CY 2010 Payment Rates, CMS-1414-FC, (74 FR 60316). Many ambulatory surgical center (ASC) payment rates under the ASC payment system are established using payment rate information in the Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS). This change request (CR) amends those payment files to reflect retroactive provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152. The Affordable Care Act required retroactive changes to the CY 2010 OPPS and MPFS payment rates. This CR also amends those payment files to include changes to the MPFS payment amounts as a result of practice expense (PE) and malpractice relative value unit (RVU) corrections. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files retroactive to January 1, 2010. The revised ASC payment files have been created and will be made available to contractors.

## **B. Policy:**

**Affordable Care Act Changes to the OPPS** The Affordable Care Act changed the CY 2010 market basket update to the conversion factor and wage index values for certain hospitals. Due to budget neutrality, these changes effectively change the CY 2010 OPPS payment amount for most ambulatory payment classification (APC) groups. The ASC payment system uses the OPPS payment amounts in the payment methodology for “office-based” surgical procedures and ancillary radiology services. Further, ASC payment for device-intensive services is established by including the device portion for the OPPS payment, and this amount is based on the revised OPPS payment amount.

## **Affordable Care Act Changes to the MPFS**

As discussed in CR 6973, Section 3111 of the Affordable Care Act changed several aspects for the MPFS. Of these changes, only changes to the non-facility PE RVUs for bone density tests are ancillary radiology services under the ASC payment system. The ASC payment system uses the MPFS non facility practice expense payment in the payment methodology for ancillary radiology services.

## **Corrections to MPFS CY 2010 Payment**

The revised payment files issued through this CR also reflect corrections and revisions to certain PE and malpractice MPFS relative value units, including the nonfacility PE RVUs included in the ASC payment system, as discussed in CR 6973.

We have incorporated all of the above corrections and legislative changes into the revised ASCFS and PI payment files accompanying this CR. These changes are retroactive to January 1, 2010.

**NOTE: Reprocessing of ASC claims is not required. Contractors shall adjust claims brought to their attention. Contractors shall not perform mass adjustments for claims affected by changes in this instruction. Contractors shall continue all routine functions such as redeterminations, reopenings, and appeals.**

## II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7010.1	<p>Medicare contractors shall download the revised January 2010 ASCFS from the CMS mainframe.</p> <p>FILENAME: <a href="#">MU00.@BF12390.ASC.CY10.FS.JANHCR.K.V0510</a></p> <p><b>Date of retrieval will be provided in a separate email communication from CMS. CMS did not issue a separate ASCFS file for April.</b></p>	X			X						All EDC S
7010.2	<p>Medicare contractors shall download and install the revised January 2010 ASCPI file.</p> <p>FILENAME: <a href="#">MU00.@BF12390.ASC.CY10.IND.JANHCR.K.V0510</a></p> <p><b>Date of retrieval will be provided in a separate email communication from CMS</b></p>	X			X						
7010.3	<p>Medicare contractors shall download and install the revised April 2010 ASCPI file.</p> <p>FILENAME: <a href="#">MU00.@BF12390.ASC.CY10.IND.APRHCR.K.V0510</a></p> <p><b>Date of retrieval will be provided in a separate email communication from CMS</b></p>	X			X						
7010.4	<p>Contractors shall begin to pay claims using these new files no later than 21 days from the date of issuance of</p>	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	this instruction.										
7010.5	Contractors shall disclose the new January 2010 ASC payment rates on their websites as soon as possible, but no later than 2 weeks from the date that the files are available for contractors to download. In addition, contractors shall notify providers via their website that the new fees are effective retroactive to January 1, 2010.	X			X						
7010.6	Medicare contractors shall adjust as appropriate claims brought to their attention that: <ul style="list-style-type: none"> <li>1) Have dates of service of January 1, 2010 through beginning date of processing from revised payment files contained in this CR and;</li> <li>2) Were originally processed prior to installation of the revised payment files contained in this CR.</li> </ul>	X			X						
7010.7	Medicare contractors shall send notification of successful receipt via email to <a href="mailto:price_file_receipt@cms.hhs.gov">price_file_receipt@cms.hhs.gov</a> stating the name of the file received and the entity for which it was received (e.g., carrier name and number).	X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7010.8	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. Medicare contractors shall post this article, or a direct link to this article, on their Web site 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 your next regularly scheduled bulletin. Medicare contractors are free to supplement MLN Matters articles with localized information that would	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	benefit their provider community in billing and administering the Medicare program correctly.										

#### IV. SUPPORTING INFORMATION

**A. For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

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

**B. For all other recommendations and supporting information, use this space: N/A**

#### V. CONTACTS

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

**Post-Implementation Contact(s):** Appropriate Regional Office

#### VI. FUNDING

**A. For Fiscal Intermediaries and Carriers:**

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

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