



## Ambulatory Surgical Center Payment Update – July 2024

Related CR Release Date: **June 25, 2024**

MLN Matters Number: MM13656 **Revised**

Effective Date: July 1, 2024

Related Change Request (CR) Number: [CR 13656](#)

Implementation Date: July 1, 2024

Related CR Transmittal Number: **R12697CP**

Related CR Title: July 2024 Update of the Ambulatory Surgical Center (ASC) Payment System

**What's Changed: We removed HCPCS codes J3393, J3394, J9172, J9322, and J9324 from table 2 of the CR, which now has 12 codes. We also changed the web address of the CR. Substantive content change is in dark red (page 2).**

### Affected Providers

- ASCs
- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services provided to Medicare patients

### Action Needed

Make sure your billing staff knows about these payment system updates for July:

- New CPT and HCPCS codes
- Coverage of Elios System for patients with primary open-angle glaucoma
- Skin substitutes

### Background

CR 13656 provides changes to and billing instructions for various payment policies implemented in the July 2024 ASC payment system update. The changes are:

#### 1. ASC Devices Offset from Payment Changes Effective January 1, 2024

Section 1833(t)(6)(D)(ii) of the [Social Security Act](#) (the Act) requires CMS deduct from passthrough payments for devices in the hospital Outpatient Prospective Payment System (OPPS) an amount that shows the device portion of the Ambulatory Payment Classifications (APC) payment amount. This deduction is the device offset, or the portions of the APC amount that's associated with the cost of the pass-through device. The device offset from payment

represents a deduction from pass-through payments for the applicable pass-through device.

**a. New Device HCPCS Code C1606 Effective July 1, 2024**

CMS preliminarily approved a new device (HCPCS code C1606) for pass-through status under the OPSS with an effective date of July 1, 2024. This code is also payable in the ASC setting.

We discuss the device application of C1606 in the CY 2025 OPSS/ASC proposed and final rules. C1606, along with its descriptors and ASC payment indicator, are in [Table 1 of CR 13656](#). The list of CPT codes performed with C1606 is in the [July 2024 ASC code pair file](#).

**b. Expiring OPSS Pass-through Status for Device Category HCPCS Code C1761 Effective July 1, 2024**

Categories of devices are eligible for transitional pass-through payments for at least 2, but not more than 3 years under the OPSS. We apply this policy in the ASC payment system also.

The device category HCPCS code C1761 will remain active, however, we include its payment in the primary service starting July 1, 2024. The ASC payment indicator (PI) for C1761 will change from J7 to N1, effective July 1, 2024. Don't separately bill for packaged codes (ASC PI=N1) since they aren't reportable under the ASC payment system.

**2. Separately Payable HCPCS Codes for Drugs and Biologicals Effective July 1, 2024**

We're adding **12** new drug and biological HCPCS codes effective July 1, 2024. We're also deleting several HCPCS codes on June 30, 2024. These HCPCS codes, as well as their descriptors and ASC PIs, are in [Table 2 of CR 13656](#).

**3. Medicare Category B Investigational Device Exemption (IDE) Coverage of Elios System to Reduce Intraocular Pressure in Patients with Primary Open-Angle Glaucoma**

On November 30, 2023, we granted Medicare coverage, as a Category B IDE study, for the clinical trial associated with Elios Vision's System to reduce intraocular pressure in patients with primary open-angle glaucoma as a standalone surgical procedure. The code describing this standalone surgical procedure is CPT code 0621T (Trabeculostomy ab interno by laser). Based on Medicare coverage approval, we're assigning it ASC PI of J8 retroactive to January 1, 2024. [Table 3 of CR 13656](#) lists the code descriptor and ASC PI for 0621T.

We posted Information associated with the clinical study on the [CMS approved IDE studies](#) webpage.

**a. HCPCS J7353 Separately Payable Retroactive to January 1, 2024**

The ASC PI for HCPCS code J7353 is reassigned from N1 to K2 retroactive to January 1, 2024. The code, descriptors, and ASC PIs are in [Table 4 of CR 13656](#).

**b. Expiring OPPS Pass-through for Certain Drugs and Biologicals Packaged in ASCs Effective July 1, 2024**

HCPCS codes for certain drugs and biologicals in the OPPS will have their pass-through status end on June 30, 2024, at which point they'll be packaged. These HCPCS codes are currently separately payable in the ASC and will also be packaged (ASC PI = N1) effective July 1, 2024. These codes are in [Table 5 of CR 13656](#). Remember you don't bill packaged codes.

**c. New CPT Category III Codes Effective July 1, 2024**

The AMA releases CPT Category III codes twice per year – in January, for implementation beginning the following July, and in July, for implementation beginning the following January.

We're adding 6 new separately payable CPT Category III codes in the ASC setting that the AMA released in January 2024 for implementation on July 1, 2024. The codes, along with their descriptors and ASC PIs, are in [Table 6 of CR 13656](#).

**d. HCPCS Codes for Certain Drugs Deleted as of June 30, 2024**

We'll delete 4 additional HCPCS codes on June 30, 2024. These codes are in [Table 7 of CR 13656](#).

**e. HCPCS Codes for Drugs and Biologicals with Payment Indicator Changes to Packaged, Effective July 1, 2024**

Per OPPS policy, we'll package 4 drug and biological HCPCS codes effective July 1, 2024. We'll change the ASC PI to N1, effective July 1, 2024. These HCPCS codes and ASC PIs are in [Table 8 of CR 13656](#).

**f. HCPCS J0401 Descriptor Change as of July 1, 2024**

HCPCS code J0401 has a descriptor change effective July 1, 2024. The old and new descriptors for J0401 are in [Table 9 of CR 13656](#).

**g. HCPCS C9167 Descriptor Change Retroactive to April 1, 2024**

We changed the descriptor for C9167 retroactive to April 1, 2024. The old and new descriptors for C9167 are in [Table 10 of CR 13656](#).

#### **h. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)**

For CY 2024, payment in the ASC setting for most drugs and biologicals is made at a single rate of ASP + 6% (or ASP plus 6% or 8% of the reference product for biosimilars). We update payments for drugs and biologicals based on ASPs quarterly as later-quarter ASP submissions become available. Updated payment rates effective July 1, 2024, are in the [July 2024 update of ASC Addendum BB](#).

#### **i. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates**

We may correct some drugs and biologicals with payment rates based on the ASP methodology retroactively. These retroactive corrections typically occur quarterly. We'll make the [list of drugs and biologicals](#) with corrected payment rates available on the first day of the quarter. If you think you got an incorrect payment for drugs and biologicals impacted by these corrections, you can ask your MAC to adjust the previously processed claims.

### **4. Skin Substitutes**

We package the payment for skin substitute products that don't qualify for hospital OPSS passthrough status into the OPSS payment for the associated skin substitute application procedure. This policy also applies to the ASC payment system. We package skin substitute products into 2 groups:

1. High-cost skin substitute products – Only use these when you perform 1 of the skin application procedures described by CPT codes 15271-15278.
2. Low-cost skin substitute products – Only use these when you perform 1 of the skin application procedures described by HCPCS codes C5271-C5278.

We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless we've OPSS pricing data showing the cost of the product is above either of these:

- The mean unit cost of \$47
- The per day cost of \$807 for CY 2024

#### **a. New Skin Substitute Products as of July 1, 2024**

There are 23 new skin substitute HCPCS codes effective July 1, 2024. These codes are in [Table 11 of CR 13656](#).

Don't separately bill for packaged skin substitutes since you can't report packaged codes under the ASC payment system.

## b. Skin Substitute Product Codes Deleted Effective June 30, 2024

We're deleting 2 skin substitute products, as of June 30, 2024. These codes are in [Table 12 of CR 13656](#).

## 5. Coverage Determinations

The fact that we assign a HCPCS code and payment rate to a drug, device, procedure, or service under the ASC payment system doesn't imply coverage by the Medicare Program, but indicates only how we pay for the product, procedure, or service if covered by the Program. MACs decide whether a drug, device, procedure, or other service meets all Program requirements for coverage. For example, MACs decide that it's reasonable and necessary to treat the patient's condition and whether it's excluded from payment.

## More Information

We issued CR 13656 to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

## Document History

Date of Change	Description
June 25, 2024	We removed HCPCS codes J3393, J3394, J9172, J9322, and J9324 from table 2 of the CR, which now has 12 codes. We also changed the web address of the CR. Substantive content change is in dark red (page 2).
June 13, 2024	Initial article released.

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