



Ambulatory Surgical Center Payment Update – October 2024

Related CR Release Date: September 5, 2024 MLN Matters Number: MM13800

Effective Date: October 1, 2024

Related Change Request (CR) Number: [CR 13800](#)

Implementation Date: October 7, 2024

Related CR Transmittal Number: R12824CP

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

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 October:

- New CPT and HCPCS codes
- Drugs and biologicals
- Skin substitutes

Background

CR 13800 provides changes to and billing instructions for various payment policies implemented in the October 2024 ASC payment system update. The changes are:

1. New Device HCPCS Code C8000 Effective October 1, 2024

Section 1833(t)(6)(B) of the [Social Security Act](#) (the Act) says that, under the Outpatient Prospective Payment System (OPPS), categories of devices are eligible for transitional pass-through payments for at least 2, but not more than 3 years. CMS preliminarily approved 1 new device for pass-through status under the OPPS with an effective date of October 1, 2024, specifically, HCPCS code C8000. The device application associated with HCPCS code C8000 will be included and discussed in the CY 2026 OPPS/ASC proposed and final rules. This code is also payable in the ASC setting.

The code, as well as the descriptors and ASC payment indicator are included in [Table 1 of CR 13800](#). The list of CPT codes you must perform with C8000 is in the [October 2024 ASC code pair file](#).

2. Clarification for Existing OPSS Device Pass-through Categories C1601, C1747 and C1606 that are Payable in the ASC Setting

We're clarifying that HCPCS codes C1601 (Endoscope, single-use (i.e. disposable), pulmonary, imaging/illumination device (insertable)), C1747 (Endoscope, single-use (i.e. disposable), urinary tract, imaging/illumination device (insertable)), and C1606 (Adapter, single-use (i.e. disposable), for attaching ultrasound system to upper gastrointestinal endoscope) are established for devices that can only be used for a single procedure and can't be reprocessed. More information on these OPSS device pass-through codes is included in the calendar year OPSS/ASC rulemaking as follows: HCPCS C1601 is in the [CY 2024 OPSS/ASC final rule with comment period](#). HCPCS C1747 is in the [CY 2023 OPSS/ASC final rule with comment period](#). HCPCS C1606 will be in the CY 2025 OPSS/ASC final rule.

3. ASC Payment Indicator (PI) Change for CPT Code 0737T (Xenograft implantation into the articular surface) Retroactive to July 1, 2024

The device associated with this code (Agili-C™) is now available and the procedure is separately payable under OPSS and the ASC payment system. Effective July 1, 2024, we assigned CPT code 0737T to ASC PI= J8 (Device-intensive procedure; paid at adjusted rate.). [Table 2 of CR 13800](#) lists the CPT code, the descriptors, and ASC PI.

4. Drugs and Biologicals

a. Separately Payable HCPCS Codes for Drugs and Biologicals Effective October 1, 2024

We've established 10 new drug and biological HCPCS codes effective October 1, 2024, which are separately payable in the ASC payment system. These HCPCS codes, as well as the descriptors and ASC PIs, are in [Table 3 of CR 13800](#).

b. Newly Established HCPCS Codes for Drug or Biological Effective July 1, 2024

We established 1 new drug or biological HCPCS code, J9074, retroactively effective July 1, 2024. This HCPCS code is in [Table 4 of CR 13800](#).

c. Newly Established HCPCS Codes for Drug or Biological Effective July 2, 2024

We established 1 new drug or biological HCPCS code, J0175, retroactively effective July 2, 2024. This HCPCS code is in [Table 5 of CR 13800](#).

d. Retroactive Change Associated with April 2024 ASC Payment Rate for HCPCS J3424

We identified an issue associated with the April 2024 quarterly ASC Drug file. HCPCS J3424 was issued with an incorrect payment rate. The correct April 2024 ASC payment rate for HCPCS code J3424 is \$5.14. Your MAC will identify and reprocess claims impacted by this change.

e. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)

For CY 2024, like in the OPSS, we make payment in the ASC setting for the majority of drugs and biologicals 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 on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective October 1, 2024, are in the October 2024 update of [ASC Addendum BB](#).

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

Some drugs and biologicals with payment rates based on the ASP methodology may have their payment rates corrected retroactively. These retroactive corrections typically occur on a quarterly basis. This [list](#) of drugs and biologicals with corrected payment rates is available. If you think you received an incorrect payment for drugs and biologicals impacted by these corrections, you may request your MAC to adjust the previously processed claims.

5. Skin Substitutes

The payment for skin substitute products that don't qualify for hospital OPSS pass-through status are packaged into the OPSS payment for the associated skin substitute application procedure. This policy is also implemented in the ASC payment system. The skin substitute products are divided into two groups:

1. High-cost skin substitute products
2. Low-cost skin substitute products for packaging purposes.

Only use high-cost skin substitute products in combination with the performance of 1 of the skin application procedures described by CPT codes 15271-15278. Use low-cost skin substitute products in combination with the performance of 1 of the skin application procedures described by HCPCS codes C5271-C5278. Bill OPSS pass-through skin substitute products (ASC PI=K2) in combination with 1 of the skin application procedures described by CPT codes 15271-15278. We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless OPSS pricing data demonstrates that the cost of the product is above either the mean unit cost of \$47 or the per day cost of \$807 for CY 2024.

a. New Skin Substitute Products as of October 1, 2024

There are 12 new skin substitute HCPCS codes that will be active as of October 1, 2024. These HCPCS codes are listed in [Table 6 of CR 13800](#).

Remember that ASCs don't bill packaged codes.

6. 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 13800 to your MAC as the official instruction for this change.

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

Document History

| Date of Change | Description |
|-------------------|---------------------------|
| September 5, 2024 | Initial article released. |

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