

<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 11472</b>	<b>Date: June 23, 2022</b>
	<b>Change Request 12773</b>

**Transmittal 11452, dated June 9, 2022, is being rescinded and replaced by Transmittal 11472, dated, June 23, 2022 to update attachment A, table 3, to remove HCPCS A9601 and J0739. We are also correcting the number of new drug codes in section 3a. of the business requirement's policy section from 16 to 14. All other information remains the same.**

**SUBJECT: July 2022 Update of the Ambulatory Surgical Center (ASC) Payment System**

**I. SUMMARY OF CHANGES:** The purpose of this CR is to provide changes to and billing instructions for various payment policies implemented in the July 2022 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

**EFFECTIVE DATE: July 1, 2022**

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

**IMPLEMENTATION DATE: July 5, 2022**

*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	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: 11472	Date: June 23, 2022	Change Request: 12773
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**SUBJECT: July 2022 Update of the Ambulatory Surgical Center (ASC) Payment System**

**EFFECTIVE DATE: July 1, 2022**

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**IMPLEMENTATION DATE: July 5, 2022**

## **I. GENERAL INFORMATION**

**A. Background:** This recurring update notification provides changes to and billing instructions for various payment policies implemented in the July 2022 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Included in this transmittal are Calendar Year (CY) 2022 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created Current Procedural Terminology (CPT) and Level II HCPCS codes. A July 2022 Ambulatory Surgical Center Fee Schedule (ASCFS) File, a July 2022 Ambulatory Surgical Center Payment Indicator (ASC PI) File, and a July 2022 Ambulatory Surgical Center Drug File will be issued in this transmittal. No July 2022 ASC Code Pair file will be issued this quarter.

### **B. Policy: 1.New CPT Category III Code Effective July 1, 2022**

The American Medical Association (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.

For the July 2022 update, CMS is implementing 1 new CPT Category III code that the AMA released in January 2022 for implementation on July 1, 2022. The CPT code, 0714T, the code descriptors, and ASC PI for this code are shown in Table 1 (see Attachment A: Policy Section Tables).

### **2.ASC Payment Indicator Assignments for the Argus® II Device and the Argus® II Implantation Procedures Effective July 1, 2022**

We have determined that the Argus® II device, which is the device that is implanted for the retinal prosthesis implant procedure, is no longer available in the marketplace. We also understand that both outpatient hospital providers and ASCs are no longer performing the Argus® II implantation procedure. Therefore, we are changing the ASC PI assignments for CPT codes 0100T, C1841, and C1842 as shown in Table 2 (see Attachment A: Policy Section Tables).

### **3. ASC Drugs, Biologicals, and Radiopharmaceuticals**

#### **a. Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals Effective July 1, 2022**

Fourteen (14) new drug and biological HCPCS codes have been established effective July 1, 2022. These HCPCS codes are listed in Table 3. (see Attachment A: Policy Section Tables). The old HCPCS codes are deleted effective June 30, 2022.

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

For CY 2022, payment for nonpass-through drugs and biologicals continues to be 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 or biological. In addition, in CY 2022, a single payment of ASP + 6 percent continues to be made for the OPSS pass-through drugs and biologicals 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 July 1, 2022, can be found in the July 2022 update of ASC Addendum BB on the CMS website at:

[https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11\\_Addenda\\_Updates.html](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html)

#### **c. 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. The list of drugs and biologicals with corrected payment rates will be accessible on the CMS website on the first date of the quarter at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Restated-Payment-Rates.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.

#### **d. Retroactive Payment for HCPCS J1437 Effective January 1, 2021.**

On January 1, 2021 HCPCS J1437 was granted pass-through status in the OPSS. The pass-through status policy extends to the ASC payment system, but due to a technical error did not pass to the ASC payment system properly which may have resulted in a denial when billed in the ASC setting. CMS is correcting the payment indicator assignment for HCPCS J1437 to ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPSS rate) retroactive to January 1, 2021. This correction is reported in Table 4. (see Attachment A: Policy Section Tables).

Suppliers who think they may have received an incorrect payment and are impacted by this correction may request contractor adjustment of the previously processed claims.

### **4. Skin Substitutes**

The payment for skin substitute products that do not 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 for packaging purposes:

1) high cost skin substitute products and 2) low cost skin substitute products. High cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by CPT codes 15271-15278. Low cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by HCPCS code C5271-C5278. All OPPS pass-through skin substitute products (ASC PI=K2) should be billed in combination with one of the skin application procedures described by CPT code 15271-15278.

#### **a. New Skin Substitute Products Low Cost Group/High Cost Group Assignment Effective July 1, 2022**

There are three (3) skin substitute HCPCS codes that are newly added to the ASC payment system as of July 1, 2022. These codes are listed in Table 5. (see Attachment A: Policy Section Tables). ASCs are reminded to not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

#### **b. Skin Substitute Products Reassigned to the High Cost Skin Substitute Group as of July 1, 2022**

There are four (4) skin substitute HCPCS codes that will be reassigned from the low cost skin substitute group to the high cost skin substitute group as of July 1, 2022. The codes are listed in Table 6. (see Attachment A: Policy Section Tables).

### **5. ASC Device Pass-Through Code Payments Reminder**

As a reminder, ASC pass-through devices are covered ancillary services, which are paid separately, and are contractor priced based on acquisition cost or invoice. Payable ASC pass-through device codes carry an ASCPI= J7 (OPPS pass-through device paid separately when provided integral to a surgical procedure on ASC list; payment contractor-priced). Additional information is contained in both transmittal 1325, which was communicated December 7, 2007, and the Internet Only Manual- Chapter 14 of the Medicare Claims Processing Manual.

### **6. ASC Offset for Payment for Pass-through Devices**

As a reminder, contractors reduce the approved payment amount for specifically identified procedures with an offset amount greater than zero when provided in conjunction with a specific pass-through device. CMS identifies these code pairs as part of the quarterly update to the ASC payment system transmittals. The device offset amount is the device portion included in Addendum FF of the quarterly addenda file. To determine the payment rate for the approved surgical procedure that is billed with an OPSS pass-through device, subtract the device portion from the ASC payment rate.

No related calculation or offset is performed on the device. The ASC code pair file procedure percent reductions impact only the core based statistical area procedure payment rate. Additional information is contained in both transmittal 1325, which was communicated December 7, 2007, and the Internet Only Manual- Chapter 14 of the Medicare Claims Processing Manual.

Updates to both the ASC code pairs and the ASC addenda are accessible on the CMS website at:  
<https://www.cms.gov/medicare/medicare-fee-for-service-payment/ascpayment>

## 7. Coverage Determinations

The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the ASC payment system does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

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	
12773.1	<p>Contractors shall download the July 2022 ASC Fee Schedule (FS) from the CMS mainframe.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.FS.JULA.V0603</p> <p>NOTE: The July 2022 ASCFS is a partial update file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>		X						VDC	
12773.2	<p>Medicare contractors shall download and install the July 2022 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.JULA.V0617</p>		X						VDC	

Number	Requirement	Responsibility								Other
		A/B MAC		D M E M A C	Shared- System Maintainers					
		A	B		H H H	F I S S	M C S	V M S	C W F	
	<b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>									
12773.3	Medicare contractors shall download and install the July 2022 ASC PI file.  FILENAME: MU00.@BF12390.ASC.CY22.PI.JULA.V0610  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDC	
12773.4	Contractors and Common Working File (CWF) shall add Type of Service (TOS) F, as appropriate, for HCPCS included in attachment A, tables 1 and 3 effective for services July 1, 2022 and later payable in the ASC setting.		X						X	
12773.5	Contractors and Common Working File (CWF) shall add Type of Service (TOS) F, as appropriate, for HCPCS included in attachment A, table 4 effective for services January 1, 2021 and later payable in the ASC setting.		X						X	
12773.6	Contractors and CWF shall end date, as appropriate, old HCPCS codes included in attachment A, table 3, in their systems, effective June 30, 2022.		X						X	
12773.7	CWF, as appropriate, shall remove TOS F records as appropriate, for old HCPCS codes, included in attachment A, table 3, in their systems, effective June 30, 2022.								X	
12773.8	Medicare contractors shall download and install the revised April 2022 ASC DRUG file, if released by CMS.		X						VDC	

Number	Requirement	Responsibility								Other
		A/B MAC		D M E M A C	Shared- System Maintainers					
		A	B		H H H	F I S S	M C S	V M S	C W F	
	<p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.APRB.V0617</p> <p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>									
12773.8.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service April 1, 2022- June 30, 2022 and;</p> <p>2) Were originally processed prior to the installation of the revised April 2022 ASC DRUG File.</p>		X							
12773.9	<p>Medicare contractors shall download and install the revised January 2022 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.JANC.V0617</p> <p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>		X						VDC	
12773.9.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service January 1, 2022- March 31,</p>		X							





Number	Requirement	Responsibility								Other
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers				
		A	B			F I S S	M C S	V M S	C W F	
	<p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>									
12773.11.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service July 1, 2021- September 30, 2021 and;</p> <p>2) Were originally processed prior to the installation of the revised July 2021 ASC DRUG File.</p>		X							
12773.12	Contractors shall make July 2022 ASCFS fee data for their ASC payment localities available on their websites.		X							
12773.13	Contractors shall notify CMS of successful receipt via e-mail to <a href="mailto:price_file_receipt@cms.hhs.gov">price_file_receipt@cms.hhs.gov</a> stating the name of the file received, (e.g., CLAB, ASP, etc.) and the entity for which it was received (i.e., include states, carrier numbers, quarter, and if Part A, Part B, or both).		X						VDC	

### 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
12773.14	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.		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:
1-7	Attachment A - Tables for the Policy Section

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

#### V. CONTACTS

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

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

#### VI. FUNDING

##### Section A: 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.

**ATTACHMENTS: 1**

## Attachment A – Tables for the Policy Section

**Table 1. – New CPT Category III Code Effective July 1, 2022**

CPT Code	Short Descriptor	Long Descriptor	ASC PI
0714T	Tprnl lsr ablt b9 prst8 hypr	Transperineal laser ablation of benign prostatic hyperplasia, including imaging guidance	G2

**Table 2 - ASC Payment Indicator Assignments for the Argus® II Device and the Argus® II Implantation Procedures Effective July 1, 2022**

CPT Code	Short Descriptor	April 2022 ASC PI	July 2022 ASC PI
0100T	Prosth retina receive&gen	J8	K5
C1841	Retinal prosthesis, includes all internal and external components	J7	K5
C1842	Retinal prosth, add-on2	J7	K5

**Table 3. – Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals Effective July 1, 2022**

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
A9596	N/A	Gallium illuccix 1 millicurie	Gallium ga-68 gozetotide, diagnostic, (illuccix), 1 millicurie	K2
C9094	N/A	Inj, sutimlimab-jome, 10 mg	Inj, sutimlimab-jome, 10 mg	K2
C9095	N/A	Inj, tebentafusp-tebn, 1 mcg	Inj, tebentafusp-tebn, 1 mcg	K2
C9096	N/A	Inj, releuko, 1 mcg	Injection, filgrastim-ayow, biosimilar, (releuko), 1 microgram	K2
C9097	N/A	Inj, faricimab-svoa, 0.1 mg	Inj, faricimab-svoa, 0.1 mg	K2
J1306	N/A	Injection, inclisiran, 1 mg	Injection, inclisiran, 1 mg	K2
J1551	N/A	Inj cutaquig 100 mg	Injection, immune globulin (cutaquig), 100 mg	K2
J2356	N/A	Inj tezepelumab-ekko, 1mg	Injection, tezepelumab-ekko, 1 mg	K2
J2779	C9093	Inj, susvimo 0.1 mg	Injection, ranibizumab, via intravitreal implant (susvimo), 0.1 mg	K2
J2998	C9090	Inj plasminogen tvmh 1mg	Injection, plasminogen, human-tvmh, 1 mg	K2
J3299	C9092	Inj xipere 1 mg	Injection, triamcinolone acetonide (xipere), 1 mg	K2
J9331	C9091	Inj sirolimus prot part 1 mg	Injection, sirolimus protein-bound particles,	K2

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
			1 mg	
J9332	N/A	Inj efgartigimod 2mg	Injection, efgartigimod alfa-fcab, 2mg	K2
90739	N/A	Hepb vacc 2/4 dose adult im	Hepatitis B vaccine (HepB), CpG-adjuvanted, adult dosage, 2 dose or 4 dose schedule, for intramuscular use	F4

**Table 4. – Retroactive Payment for HCPCS J1437 Effective January 1, 2021.**

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Effective Date
J1437	Inj. fe derisomaltose 10 mg	Injection, ferric derisomaltose, 10 mg	K2	01/01/2021

**Table 5. – New Skin Substitute Products Low Cost Group/High Cost Group Assignment Effective July 1, 2022**

CY 2022 HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
Q4259	Celera per sq cm	N1	Low
Q4260	Signature apatch, per sq cm	N1	Low
Q4261	Tag, per square centimeter	N1	Low

NOTE: ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

**Table 6. – Skin Substitute Products Reassigned to the High Cost Skin Substitute Group as of July 1, 2022**

HCPCS Code	Short Descriptor	ASC PI	Old Low/High Cost Skin Substitute Group	July 2022 Low/High Cost Skin Substitute Group
A2001	Innovamatrix ac, per sq cm	N1	Low	High
A2002	Mirragen adv wnd mat per sq	N1	Low	High
Q4229	Cogenex amnio memb per sq cm	N1	Low	High
Q4258	Enverse, per sq cm	N1	Low	High

NOTE: ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.