

<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 12824</b>	<b>Date: September 5, 2024</b>
	<b>Change Request 13800</b>

**SUBJECT: October 2024 Update of the Ambulatory Surgical Center [ASC] Payment System**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to provide changes to and billing instructions for various payment policies implemented in the October 2024 ASC payment system update.

**EFFECTIVE DATE: October 1, 2024**

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

**IMPLEMENTATION DATE: October 7, 2024**

*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:12824	Date: September 5, 2024	Change Request: 13800
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## **II. GENERAL INFORMATION**

### **A. Background:**

As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS). This Recurring Update Notification (RUN) applies to Chapter 14, Section 40 of Publication (Pub.) 100-04. An October 2024 Ambulatory Surgical Center Fee Schedule (ASC FS) File, a revised July 2024 ASC FS File, an October 2024 Ambulatory Surgical Center Payment Indicator (PI) File, and an October 2024 ASC Code Pair file will be issued with this transmittal. Cloud service updates will be implemented for new and restated ASC Drug pricing.

### **B. Policy:**

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

As specified in section 1833(t)(6)(B) of the Social Security Act, under the OPSS, categories of devices are eligible for transitional pass-through payments for at least two (2), but not more than three (3) years. We note that we preliminarily approved one new device for pass-through status under the OPSS with an effective date of October 1, 2024, specifically, HCPCS code C8000. HCPCS code C8000 was preliminarily approved as part of the device pass-through quarterly review process. The device application associated with HCPCS code C8000 will be included and discussed in the CY 2026 OPSS/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 (see Attachment A: Policy Section Tables). The list of CPT codes that must be performed with C8000 is included in the October 2024 ASC code pair file, which is accessible on the CMS website at:

<https://www.cms.gov/medicare/payment/prospective-payment-systems/ambulatory-surgical-center-asc-payment/asc-code-pairs>.

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

We are 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 cannot be reprocessed. As such, these devices cannot be reprocessed. Additional 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, which was published in the **Federal Register** on November 22, 2023 (88 FR 81729 through 81743), HCPCS C1747 is in the CY 2023 OPSS/ASC final rule with comment period, which was published in the **Federal Register** on November 23, 2022 (87 FR 71929 through 71934), and HCPCS C1606 will be included in the CY 2025 OPSS/ASC proposed and final rules.

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

The device associated with this code (Agili-CTM) is now available, and thus the procedure is separately payable under OPSS and the ASC payment system. Specifically, CPT code 0737T is assigned to ASC PI= J8 (Device-intensive procedure; paid at adjusted rate.) effective July 1, 2024. Table 2 lists the CPT code, the descriptors, and ASC PI (see Attachment A: Policy Section Tables).

## **4. Drugs and Biologicals**

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

Ten new drug and biological HCPCS codes are established effective October 1, 2024 and are separately payable in the ASC payment system. These HCPCS codes, as well as the descriptors and ASC PIs, are listed in Table 3 (see Attachment A: Policy Section Tables).

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

One (1) new drug or biological HCPCS code has been established retroactively and is effective July 1, 2024. This HCPCS code is listed in Table 4 (see Attachment A: Policy Section Tables).

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

One (1) new drug or biological HCPCS code has been established retroactively and is effective July 2, 2024. This HCPCS code is listed in Table 5 (see Attachment A: Policy Section Tables).

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

An issue was identified that was associated with the April 2024 quarterly ASC Drug file that was issued with Change Request (CR) 13577, *April 2024 Update of the Ambulatory Surgical Center [ASC] Payment System*. HCPCS J3424 was issued with an incorrect payment rate.

The correct April 2024 ASC payment rate for HCPCS code J3424 is \$5.14. This change will be made with a cloud service update retroactive to April 1, 2024 for dates of service of April 1, 2024 through June 30, 2024. This issue only effected the mainframe April 2024 quarterly ASC Drug file.

Part B MACs shall identify and reprocess effected claims impacted by this change ensure that the updated cloud payment rate is applied to effected claims.

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

For CY 2024, like in the OPSS, payment in the ASC setting for the majority of drugs and biologicals is made at a single rate of ASP + 6 percent (or ASP plus 6 or 8 percent of the reference product for biosimilars). Payments for drugs and biologicals based on ASPs are updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective October 1, 2024, can be found in the October 2024 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)

#### **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. 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.

### **5. 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: 1) high cost skin substitute products and 2) low cost skin substitute products for packaging purposes. 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 codes C5271-C5278. All OPSS pass-through skin substitute products (ASC PI=K2) should be billed in combination with one of the skin application procedures described by CPT codes 15271-15278. New skin substitute HCPCS codes are assigned into the low-cost skin substitute group unless CMS has OPSS pricing data that 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 twelve new skin substitute HCPCS codes that will be active as of October 1, 2024. These HCPCS codes are listed in Table 6 (see Attachment A: Policy Section Tables).

As a reminder, ASCs do not bill packaged codes.

### **6. Coverage Determinations**

As a reminder, 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.

### III. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
13800.1	<p>Medicare contractors shall download and install the October 2024 ASC Fee Schedule (FS) from the CMS mainframe.</p> <p>FILENAME: <a href="#">MU00.@BF12390.ASC.CY24.FS.OCTA.V0903</a></p> <p>The October 2024 ASCFS is a partial update.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X								
13800.2	<p>Medicare contractors shall use the cloud service to process ASC drug claims.</p> <p>NOTE: As a reminder, Contractors get the October 2024 ASC Drug pricing, as well as restated quarterly ASC drug payment rates, as applicable, from the cloud. Mainframe ASC Drug files are no longer issued.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS</p>		X								
13800.3	<p>Medicare contractors shall use the cloud service fees, as appropriate, to reprocess claims for HCPCS J3424 that:</p> <p>1) Have dates of service April 1, 2024 – June 30, 2024 and;</p> <p>2) Were originally processed prior to the installation of the updated ASC Drug cloud service fees.</p>		X								



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	
	2024 and later payable in the ASC setting.									
13800.9	Contractors shall make October 2024 ASCFS fee data for their ASC payment localities available on their web sites.		X							
13800.10	Contractors shall notify CMS of successful receipt via e-mail to price_file_receipt@cms.hhs.gov 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							
13800.11	<p>Medicare contractors shall download and install a revised July 2024 ASC Fee Schedule (FS) from the CMS mainframe.</p> <p>FILENAME: <a href="mailto:MU00.@BF12390.ASC.CY24.FS.JULB.V0903">MU00.@BF12390.ASC.CY24.FS.JULB.V0903</a></p> <p>The July 2024 ASCFS is a partial update.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							

#### IV. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
13800.12	Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.		X			

#### V. 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:
1,3,4-10	Attachment A: Policy Section Table

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

#### VI. CONTACTS

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

#### VII. 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 – Policy Section Tables**

**Table 1. — New Device HCPCS Code C8000 Effective October 1, 2024**

<b>CPT Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
C8000	Support device, extravascular, for arteriovenous fistula (implantable)	Suprt dev, a-v fistula, imp	J7

**Table 2. — ASC Payment Indicator Change for CPT Code 0737T (Xenograft implantation into the articular surface) Retroactive to July 1, 2024**

<b>CPT Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
0737T	Xenograft implantation into the articular surface	Xenograft impltj artclr surf	J8

**Table 3. – Separately Payable HCPCS Codes for Drugs and Biologicals Effective October 1, 2024**

<b>New HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
J1434	Injection, fosaprepitant (focinvez), 1 mg	Inj, focinvez, 1mg	K2
J9172	Injection, docetaxel (avyxa) not therapeutically equivalent to J9171, 1 mg	Docetaxel (avyxa), 1 mg	K2
J9324	Injection, pemetrexed (pemrydi rtu), 10 mg	Inj, pemrydi rtu, 10 mg	K2
Q5133	Injection, tocilizumab-bavi (tofidence), biosimilar, 1 mg	Inj, tofidence, 1 mg	K2
C9169	Injection, nogapendekin alfa inbakicept-pmln, for intravesical use, 1 microgram	Inj, nogapendekin pmln 1 mcg	K2
C9170	Injection, tarlatamab-dlle, 1 mg	Inj, tarlatamab-dlle, 1 mg	K2
C9171	Injection, pegulicianine, 1 mg	Inj, pegulicianine, 1 mg	K2
C9172	Injection, fidanacogene elaparvovec-dzkt, per therapeutic dose	Inj, beqvez, per tx dose	K2
J2601	Injection, vasopressin (baxter), 1 unit	Inj, vasopressin (baxter)	K2
Q5135	Injection, tocilizumab-aazg (tyenne), biosimilar, 1 mg	Inj, tyenne, 1 mg	K2

**Table 4. – Newly Established HCPCS Code for Drug or Biological Effective July 1, 2024**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
J9074	Injection, cyclophosphamide (sandoz), 5 mg	Inj, cyclophosphamd, sandoz	K2

**Table 5. – Newly Established HCPCS Code for Drug or Biological Effective July 2, 2024**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
J0175	Injection, donanemab-azbt, 2 mg	Inj, donanemab-azbt, 2 mg	K2

**Table 6. – New Skin Substitute Products Low Cost Group/High Cost Group Assignment Effective October 1, 2024**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>ASC PI</b>	<b>Low/High Cost Skin Substitute</b>
Q4334	Amnioplast 1, per sq cm	N1	Low
Q4335	Amnioplast 2, per sq cm	N1	Low
Q4336	Artecent c, per sq cm	N1	Low
Q4337	Artecent trident, per sq cm	N1	Low
Q4338	Artacent velos, per sq cm	N1	Low
Q4339	Artacent vericlen, per sq cm	N1	Low
Q4340	Simpligraft, per sq cm	N1	Low
Q4341	Simplimax, per sq cm	N1	Low
Q4342	Theramend, per sq cm	N1	Low
Q4343	Dermacyte ac matrnx per sq cm	N1	Low
Q4344	Tri membrane wrap, per sq cm	N1	Low
Q4345	Matrix hd allogrft per sq cm	N1	Low

NOTE: ASCs are reminded to not report packaged codes (ASC PI=N1).