

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12984	Date: December 5, 2024
	Change Request 13687

NOTE: This Transmittal is no longer sensitive and is being re-communicated April 28, 2025. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

SUBJECT: Payment Limitation for Certain Facility Healthcare Common Procedure Coding System (HCPCS) Codes Performed in Ambulatory Surgical Centers [ASC]

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to implement the changes that are necessary to operationalize a proposed payment cap for certain facility HCPCS Codes in the ASC setting effective January 1, 2025.

EFFECTIVE DATE: January 1, 2025

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

IMPLEMENTATION DATE: January 6, 2025

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.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
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:

One Time Notification

Attachment - One-Time Notification

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IMPLEMENTATION DATE: January 6, 2025

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to implement the changes that are necessary to operationalize a proposed payment cap for certain facility HCPCS Codes in the ASC setting effective January 1, 2025.

II. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to implement the changes that are necessary to operationalize a proposed payment cap for certain facility HCPCS codes in the ASC setting effective January 1, 2025.

B. Policy: The Consolidated Appropriations Act (CAA), 2023 (Pub. L. 117–328), was signed into law on December 29, 2022. Section 4135(a) and (b) of the CAA, 2023, titled “Access to Non-Opioid Treatments for Pain Relief,” amended section 1833(t)(16) and section 1833(i) of the Social Security Act, respectively, to provide for temporary additional payments for non-opioid treatments for pain relief (as that term is defined in section 1833(t)(16)(G)(i) of the Act). In particular, section 1833(t)(16)(G) provides that with respect to a non-opioid treatment for pain relief furnished on or after January 1, 2025, and before January 1, 2028, the Secretary shall not package payment for the non-opioid treatment for pain relief into payment for a covered OPD service (or group of services) and shall make an additional payment for the non-opioid treatment for pain relief as specified in clause (ii) of that section. Clauses (ii) and (iii) of section 1833(t)(16)(G) of the Act provide for the amount of additional payment and set a limitation on that amount.

Paragraph (10) of section 1833(i) of the Act cross-references the OPPS provisions about the additional payment amount and payment limitation for non-opioid treatments for pain relief and applies them to payment under the ASC payment system. In particular, subparagraph (A) of paragraph (10) of section 1833(i) of the Act, as added by section 4135(b) of the CAA, 2023, provides that in the case of surgical services furnished on or after January 1, 2025, and before January 1, 2028, additional payments shall be made under the ASC payment system for non-opioid treatments for pain relief in the same amount provided in clause (ii) and subject to the limitation in clause (iii) of section 1833(t)(16)(G) of the Act for the OPPS. Because the additional payments are required to begin on January 1, 2025, we plan to include our proposals to implement the section 4135 amendments in the CY 2025 OPPS/ASC proposed rule.

CMS pays for certain non-opioid drug and device HCPCS codes on a per unit basis in the ASC, similar to payment for other separately payable drugs and devices, and MACs would continue to process these codes as they currently do. However, MACs would also incorporate a per-claim payment limit review for these codes, limiting payment for these codes to a specific dollar amount without regard to the number of units or service provided. CMS will provide these HCPCS codes and their respective payment limits in both the

calendar year 2025 OPPTS/ASC final rule, as well as the quarterly update ASC payment system transmittal ASC Fee Schedule (ASCFS) file and ASC drug file, as appropriate.

MACs will compare the lower of the payment amount, charges, or payment limit when calculating payment for the HCPCS codes subject to this payment limitation.

Please note that the payment limit applies to both CMS-priced and contractor-priced HCPCS codes.

As part of this transmittal, CMS is providing a proposed revised ASC Fee Schedule file record layout and ASC Drug file record layout along with the instructions to incorporate the payment limit, when applicable, into the MACs’ claims processing methodology. CMS intends to provide future ASC FS and ASC drug files by the Cloud service. However, revised mainframe file layouts and business instructions are being provided in case future enhancements or conditions require MCS to accommodate and maintain the full files in MCS’s mainframe.

The policies described in this CR are based on proposed policies in the CY 2025 OPPTS/ASC proposed rule. All policies described in this CR are subject to change pending the CY 2025 OPPTS/ASC Final Rule. If there are changes to these proposed policies in the CY 2025 OPPTS/ASC Final Rule, such as changes made in response to public comments, CMS will provide further instruction.

III. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13687.1	Contractors shall accept and process the revised Ambulatory Surgical Center (ASC) Drug cloud pricing service response for use with all claims with dates of service on or after January 1, 2025. NOTE: Any quarterly ASC drug files prior to the January 1, 2025 file that require retroactive updates after implementation of this CR will be in the “new” format also.		X				X			DRaaS-CACHE Data Center
13687.1.1	Contractors shall accept the new one character		X				X			DRaaS-CACHE Data Center

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CFW	
	field “paymentCapIndicator”. NOTE: Valid Values Y=payment cap applicable N=no payment cap									
13687.1.2	Contractors shall accept the new price amount field “paymentCapPrice”. example = "98374.33"		X				X			DRaaS- CACHE Data Center
13687.1.3	Contractors shall note that CMS will provide all ASC Payment Cap Price amounts and Indicators for the HCPCS codes for which it applies.		X				X			PCS
13687.2	Contractors shall accept and process the revised Ambulatory Surgical Center (ASC) Fee Schedule cloud pricing service response for use with all claims with dates of service on or after January 1, 2025. NOTE: Any quarterly ASC Fee Schedule files prior to the January 1, 2025 file that require retroactive updates after implementation of this CR will be in the “new” format also		X				X			DRaaS- CACHE Data Center

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13687.2.1	<p>Contractors shall accept the new one character field “paymentCapIndicator”.</p> <p>NOTE: Valid Values Y=payment cap applicable N=no payment cap</p>		X				X			DRaaS-CACHE Data Center
13687.2.2	<p>Contractors shall accept the new price amount field “paymentCapPrice”.</p> <p>example = "98374.33"</p>		X				X			DRaaS-CACHE Data Center
13687.2.3	<p>Contractors shall note that CMS will provide all ASC Payment Cap Price amounts and Indicators for the HCPCS codes for which it applies.</p>		X				X			PCS
13687.3	<p>Contractors shall modify the “lesser of” logic when determining the approved charge to determine the lesser of the submitted charge, Medicare payment rate, or Payment Cap Price, as appropriate.</p> <p>NOTE: this includes Contractor priced payment amounts.</p>		X				X			
13687.4	<p>Contractors shall incorporate the new ASC Drug cloud pricing service “paymentCapIndicator” and “paymentCapPrice” fields when performing</p>		X				X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	the lesser of charges, payment rate, or payment cap logic for the applicable HCPCS code.									
13687.4.1	The payment cap amount, as applicable, is applied to HCPCS codes on the same claim, with the same date of service, without regard to the units billed.		X							
13687.5	Contractors shall incorporate the new ASC Fee Schedule cloud pricing service “paymentCapIndicator” and “paymentCapPrice” fields when performing the lesser of charges, payment rate, or payment cap logic for the applicable HCPCS code.		X				X			
13687.5.1	The payment cap amount, as applicable, is applied to HCPCS codes on the same claim, with the same date of service, without regard to the units billed.		X							
13687.6	Contractors upon notification in mid to late August 2024, from CMS via email to the Functional Workgroup distribution lists, shall test (at any point prior to or during the UAT testing period) in preparation for a January 2025 implementation, the revised Ambulatory Surgical Center (ASC) Drug and Ambulatory Surgical Center (ASC) Fee Schedule cloud pricing services.		X				X			MIST, PCS
13687.7	Contractors shall update all applicable user screens.						X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13687.7.1	The cloud shall automatically update each time a quarterly ASCFS or ASC drug file is implemented to carry any new payment cap information.									PCS
13687.8	Contractors shall ensure that the changes in the revised ASC Drug cloud pricing service (payment cap indicator and payment cap price) continue to interface correctly with existing ASC drug programing as well as all other current ASC drug module programming to properly process ASC drug claims.		X				X			
13687.9	Contractors shall ensure that the changes in the revised ASC FS cloud pricing service (payment cap indicator and payment cap price) continue to interface correctly with existing ASC FS programing as well as all other current ASC FS module programming to properly process ASC FS claims.		X				X			
13687.10	If Mainframe file version is communicated, Contractors shall accept and process the revised Ambulatory Surgical Center (ASC) Drug File layout for use with all claims with dates of service on or after January 1, 2025. NOTE: Any quarterly ASC drug files prior to the		X				X			DRaaS-CACHE Data Center

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	January 1, 2025 file that require retroactive updates after implementation of this CR will be in the “new” format also.									
13687.10.1	<p>Contractors shall accept the new one (1) digit “Payment Cap Indicator” field (position 36) on the ASC drug file.</p> <p>NOTE: See “ASC Drug Record Layout_January2025_rev” attachment, “Payment Cap Indicator” field name.</p>		X				X			DRaaS-CACHE Data Center
13687.10.2	<p>Contractors shall accept the new seven (7) digit “Payment Cap Price” field (positions 38-44) on the ASC drug file.</p> <p>NOTE: See “ASC Drug Record Layout_January2025_rev” attachment, “Payment Cap Price” field name.</p>		X				X			DRaaS-CACHE Data Center
13687.10.3	Contractors shall note that CMS will provide all ASC Payment Cap Price amounts for the HCPCS codes for which it applies.		X				X			
13687.10.4	Contractors shall incorporate the new “Payment Cap Indicator” and “Payment Cap Price” fields on the ASC drug file when performing the lesser of charges, payment rate, or payment cap logic		X				X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	for the applicable HCPCS code.									
13687.11	<p>If Mainframe file version is communicated, Contractors shall accept and process the revised Ambulatory Surgical Center (ASC) Fee Schedule File layout for use with all claims with dates of service on or after January 1, 2025.</p> <p>NOTE: Any quarterly ASC Fee Schedule files prior to the January 1, 2025 file that require retroactive updates after implementation of this CR will be in the “new” format also.</p>		X				X			DRaaS-CACHE Data Center
13687.11.1	Contractors shall accept the new one (1) digit “Payment Cap Indicator” field (position 115) on the ASC Fee Schedule file.		X				X			DRaaS-CACHE Data Center
13687.11.2	<p>Contractors shall accept the new seven (7) digit “Payment Cap Price” field (positions 117-123) on the ASC FS file.</p> <p>NOTE: See “ASC Fee Schedule Record Layout_January2025_rev” attachment, “Payment Cap Price” field name.</p>		X				X			DRaaS-CACHE Data Center
13687.11.3	Contractors shall note that CMS will provide all ASC Payment Cap Price amounts for the HCPCS codes for which it applies.		X				X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13687.11.4	Contractors shall incorporate the new “Payment Cap Indicator” and “Payment Cap Price” fields on the ASC FS file when performing the lesser of charges, payment rate, or payment cap logic for the applicable HCPCS code.		X				X			
13687.12	Contractors shall, upon notification in mid to late August 2024, from CMS via email to the Functional Workgroup distribution lists, retrieve, and use to test (at any point prior to or during the UAT testing period) in preparation for a January 2025 implementation, a test version of the revised mainframe ASC FS file and ASC drug file. NOTE: Test files will be made available through the Mainframe and CMS will notify Contractors when they are available.		X				X			MIST
13687.13	Contractors shall update any and all user screens and displays (including, among others, all web pricing screens) to automatically update each time a mainframe version quarterly ASCFS or ASC drug file is implemented to carry any new payment cap information.						X			
13687.14	Contractors shall ensure that the changes in the revised mainframe ASC Drug file (payment cap indicator and payment cap		X				X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	price) and ASC drug file layout continue to interface correctly with existing ASC drug file programming as well as all other current ASC module programming and additional programming in this transmittal to properly process ASC drug claims.									
13687.15	Contractors shall ensure that the changes in the revised mainframe ASC FS file (payment cap indicator and payment cap price) and ASC FS file layout continue to interface correctly with existing ASC FS file programming as well as all other current ASC module programming and additional programming in this transmittal to properly process ASC FS claims.		X				X			
13687.16	Contractors shall use the following messages in response to MCS audit 234k for special pricing: CARC 45 - Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement. Usage: This adjustment amount cannot equal the total service or claim charge amount; and must not duplicate provider adjustment amounts (payments and contractual reductions)		X							

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	<p>that have resulted from prior payer(s) adjudication</p> <p>MSN - 30.1 - The approved amount is based on a special payment method.</p> <p>La cantidad aprobada está basada en un método especial de pago.</p> <p>Group Code: CO</p>									

IV. PROVIDER EDUCATION

None

Impacted Contractors: None

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:
	N/A
10-10.4,13,14	Attachment B- ASC Drug Record Layout January 2025 Mainframe
11-13,15	Attachment A- ASC Fee Schedule Record Layout January 2025 Mainframe

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

VI. CONTACTS

Pre-Implementation Contact(s): Yvette Cousar, yvette.cousar@cms.hhs.gov (B MAC Claims Processing Issues) , Scott Talaga, 410-786-4142 or scott.taglia@cms.hhs.gov

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

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 2

ASCFS Record Layout

(for Proposed 1/1/2025 update)

<u>Field Name</u>	<u>Positions</u>	<u>Length</u>	
HCPCS	1-5	5	ASC Procedures and Devices NOTE: The ASC FS File will contain a record for each HCPCS/CBSA
Filler (Space)	6	1	
Modifier	7-8	2	
Filler (Space)	9-11	3	
ASC Group	12-16	5	
Filler (Space)	17	1	
CBSA	18-22	5	
Filler (Space)	23	1	
Wage Index	24-28	9v9999 (9.9999)	
Filler (Space)	29-33	5	
Procedure Indicator	34	1	S—Surgical Procedure A—Ancillary Service C—Carrier Priced
Filler (Space)	35	1	
Coinsurance 25% Indicator	36	1	Y—Yes N—No
Filler (Space)	37	1	
Multi-Procedure Discount Indicator	38	1	0--Surgical Procedure for which multi adjustment does not apply 1--Surgical Procedure for which multiple payment adjustments can apply 9—Concept of multiple procedure adjustment does not apply
Filler (Space)	39	1	
FB Mod Reduced Price	40-46	9(5)v99 (\$\$\$\$\$.cc)	Field is zero filled when FB Modifier Field has value of "N"
Filler (Space)	47	1	
Price	48-54	9(5)v99 (\$\$\$\$\$.cc)	Field is zero filled for carrier priced codes
Filler (Space)	55	1	
FC Mod Reduced Price	56-62	9(5)v99 (\$\$\$\$\$.cc)	Field is zero filled for carrier priced codes
Filler (Space)	63	1	
Group Price	64-70	9(5)v99 (\$\$\$\$\$.cc)	
Filler (Space)	71	1	
FB/FC Modifier	72	1	Y—Yes N—No
Filler (Space)	73	1	
Year (Update)	74-81	8	YYYYMMDD—Effective date of prices
Filler (Space)	82	1	
Penalty FB Mod Reduced Price	83-89	9(5)v99 (\$\$\$\$\$.cc)	Field is zero filled when FB/FC modifier has value of "N"
Filler	90	1	
Penalty Price	91-97	9(5)v99 (\$\$\$\$\$.cc)	

Filler	98	1	Field is zero filled for carrier priced codes
Penalty FC Mod Reduced Price	99-105	9(5)v99	(\$\$\$\$\$.cc) Field is zero filled when FB/FC modifier has value of "N"
Filler	106	1	
Penalty Group Price	107-113	9(5)v99	(\$\$\$\$\$.cc)
Filler	114	1	
Payment Cap Indicator	115	1	Y—Yes N—No
Filler (Space)	116	1	
Payment Cap Price	117-123	9(5)v99	(\$\$\$\$\$.cc) Field is zero-filled for Contractor priced codes or if Payment Cap Indicator = N
Filler (Space)	124-142	19	

ASC Drug Record Layout

(for Proposed 1/1/2025 update)

<u>Field Name</u>	<u>Positions</u>	<u>Length</u>	
HCPCS	1-5	5	
Filler (Space)	6	1	
Modifier	7-8	2	
Filler (Space)	9	1	
ASC Drug Status Indicator	10	1	A—Drug Fee Provided C—Carrier Priced code
Filler (Space)	11	1	
Drug Price	12-18	9(5)v99 (\$\$\$\$\$.cc)	Field is zero-filled for carrier priced codes
Filler (Space)	19	1	
Year (Update)	20-27	8	YYYYMMDD—Effective date of prices
Filler (Space)	28	1	
Co-insurance Percentage	29-34	6	
Filler (Space)	35	1	
Payment Cap Indicator	36	1	Y—Yes N—No
Filler (Space)	37	1	
Payment Cap Price	38-44	9(5)v99 (\$\$\$\$\$.cc)	Field is zero-filled for Contractor priced codes or if Payment Cap Indicator = N
Filler (Space)	45-50	6	