

<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 2425</b>	<b>Date: March 16, 2012</b>
	<b>Change Request 7754</b>

**SUBJECT: April 2012 Update of the Ambulatory Surgical Center (ASC) Payment System**

**I. SUMMARY OF CHANGES:** This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the April 2012 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10.

**EFFECTIVE DATE: April 1, 2012**

**IMPLEMENTATION DATE: April 2, 2012**

*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	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**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**

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

# Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 2425	Date: March 16, 2012	Change Request: 7754
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**SUBJECT: April 2012 Update of the Ambulatory Surgical Center (ASC) Payment System**

**EFFECTIVE DATE: April 1, 2012**

**IMPLEMENTATION DATE: April 2, 2012**

## I. GENERAL INFORMATION

**A. Background:** This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the April 2012 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10.

### B. Policy:

#### 1. New Service (Fluorescent Vascular Angiography)

The following new packaged service has been created where there have not previously been specific codes available that describe the service. It is assigned under the ASC payment system, with an effective date of April 1, 2012.

**Table 1 – Fluorescent Vascular Angiography**

HCPCS	Effective date	Short Descriptor	Long descriptor	ASC PI
C9733	4/01/2012	Non-ophthalmic FVA	Non-ophthalmic fluorescent vascular angiography	N1

HCPCS code C9733 describes SPY<sup>®</sup> Fluorescence Vascular Angiography and other types of non-ophthalmic fluorescent vascular angiography.

ASCs are reminded that since contractors pay the lesser of 80 percent of actual charges or the ASC payment rate for the separately payable procedure, and because this comparison is made at the claim line-item level, facilities may not be paid appropriately if they unbundle charges and separately report packaged codes and related charges as a separate line-item.

#### 2. Billing for Drugs, Biologicals, and Radiopharmaceuticals

##### a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2012

Payment for separately payable drugs and biologicals based on the average sales prices (ASPs) are updated on a quarterly basis as later quarter ASP submissions become available. In cases where adjustments to payment rates are necessary based on the most recent ASP submissions, we will

incorporate changes to the payment rates in the April 2012 release of the ASC DRUG file. The updated payment rates, effective April 1, 2012, will be included in the April 2012 update of the ASC Payment system Addendum BB, which will be posted on the CMS Web site.

**b. New HCPCS Codes for Drugs and Biologicals Separately Payable Under the ASC Payment System Effective April 1, 2012**

Four drugs and biologicals have been granted ASC payment status effective April 1, 2012. These items, along with their descriptors and APC assignments, are identified in Table 2 below.

**Table 2 – New Drugs and Biologicals Separately Payable Effective April 1, 2012**

<b>HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
C9288*	Injection, centruroides (scorpion) immune f(ab)2 (equine), 1 vial	Inj, centruroides (scorpion)	K2
C9289*	Injection, asparaginase erwinia chrysanthemi, 1,000 international units (I.U.)	Inj, erwinia chrysanthemi	K2
C9290*	Injection, bupivacaine liposome, 1 mg	Inj, bupivacaine liposome	K2
C9291*	Injection, aflibercept, 2 mg vial	Injection, aflibercept	K2

**NOTE:** The HCPCS codes identified with an “\*” indicate that these are new codes effective April 1, 2012.

**Additional Information on HCPCS Code C9291 (Injection, aflibercept, 2 mg vial)**

Eylea (aflibercept) is packaged in a sterile, 3 mL single use vial containing a 0.278 mL fill of 40 mg/mL Eylea (NDC 61755-0005-02). As approved by the FDA, the recommended dose for Eylea is 2 mg every 4 weeks, followed by 2 mg every 8 weeks. Payment for HCPCS code C9291 is for the entire contents of the single-use vial, which is labeled as providing a 2 mg dose of aflibercept. As indicated in 42 CFR § 414.904, CMS calculates an average sales price (ASP) payment limit based on the amount of product included in a vial or other container as reflected on the FDA-approved label, and any additional product contained in the vial or other container does not represent a cost to providers and is not incorporated into the ASP payment limit. In addition, no payment is made for amounts of product in excess of that reflected on the FDA-approved label.

**c. Updated Payment Rates for Certain HCPCS Codes Effective July 1, 2011 through September 30, 2011**

The payment rates for several HCPCS codes were incorrect in the July 2011 ASC DRUG File. The corrected payment rates are listed in Table 3 below and have been installed in the revised July 2011 ASC DRUG File, effective for services furnished on July 1, 2011, through September 30, 2011 and processed prior to the implementation of the April 2012 ASC quarterly update. Suppliers who have received an incorrect payment for dates of service between July 1, 2011, through September 30, 2011, may request contractor adjustment of the previously processed claims.

**Table 3 – Updated Payment Rates for Certain HCPCS Codes Effective July 1, 2011 through September 30, 2011**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
J0735	Clonidine hydrochloride	\$35.67	K2
J1212	Dimethyl sulfoxide 50% 50 ML	\$84.55	K2
J1756	Iron sucrose injection	\$0.34	K2
J9245	Inj melphalan hydrochl 50 MG	\$1,308.97	K2

**d. Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2011 through December 31, 2011**

The payment rates for several HCPCS codes were incorrect in the October 2011 ASC DRUG File. The corrected payment rates are listed in Table 4 below and have been installed in the revised October 2011 ASC DRUG File, effective for services furnished on October 1, 2011 through December 31, 2011 and processed prior to the implementation of the April 2012 ASC quarterly update. Suppliers who have received an incorrect payment for dates of service between October 1, 2011 through December 31, 2011, may request contractor adjustment of the previously processed claims.

**Table 4 – Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2011 through December 31, 2011**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
J0735	Clonidine hydrochloride	\$30.54	K2
J1212	Dimethyl sulfoxide 50% 50 ML	\$84.86	K2
J1742	Ibutilide fumarate injection	\$126.92	K2
J9245	Inj melphalan hydrochl 50 MG	\$1,280.08	K2

**e. Billing for Skin Substitutes**

ASCs should only report the HCPCS codes describing products that can be used as skin substitutes, as listed in Table 5 below, when these products are used with one of the CPT codes describing the application of a skin substitute (15271-15278). Skin substitute products that are used with procedures outside the CPT code range of 15271-15278 are considered packaged and should not be separately reported.

**Table 5 – Skin Substitute HCPCS Codes that are Separately Billable When Performed with CPT Codes 15271-15278**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
C9358	SurgiMend, fetal	K2
C9360	SurgiMend, neonatal	K2
C9363	Integra Meshed Bil Wound Mat	K2

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
C9366	EpiFix wound cover	K2
C9367	Endoform Dermal Template	K2
Q4101	Apligraf	K2
Q4102	Oasis wound matrix	K2
Q4103	Oasis burn matrix	K2
Q4104	Integra BMWD	K2
Q4105	Integra DRT	K2
Q4106	Dermagraft	K2
Q4107	Graftjacket	K2
Q4108	Integra matrix	K2
Q4110	Primatrix	K2
Q4111	Gammagraft	K2
Q4112	Cymetra injectable	K2
Q4113	Graftjacket xpress	K2
Q4114	Integra flowable wound matri	K2
Q4115	Alloskin	K2
Q4116	Alloderm	K2
Q4118	Matristem micromatrix	K2
Q4119	Matristem wound matrix	K2
Q4121	Theraskin	K2
Q4122	Dermacell	K2
Q4124	Oasis Ultra Tri-Layer Matrix	K2

**NOTE:** This list may change during the calendar year if additional skin substitute HCPCS codes are assigned separately payable payment indicators.

### 3. ASC Quality Measures

In the CY 2012 OPSS/ASC Final Rule (CMS-1525-FC), CMS established a quality reporting program for ASCs and adopted five quality measures, including four outcome measures and one surgical infection control measure beginning in CY 2012 for the CY 2014 payment determination. The ASC quality measures, HCPCS codes, and their descriptions are included in Table 6 below:

**Table 6 – ASC Quality Measures, HCPCS Codes, Descriptors, and PIs for Claims Beginning April 1, 2012**

<b>ASC Quality Measures</b>	<b>G-code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
	G8907	Patient documented not to have experienced any of the following events: a burn prior to discharge; a fall within the facility; wrong site/side/patient/procedure/implant event; or a hospital transfer or hospital admission upon discharge from the facility.	Pt doc no events on discharge	M5
Patient burn	G8908	Patient documented to have received a burn prior to discharge	Pt doc w burn prior to D/C	M5
	G8909	Patient documented <b>not</b> to have received a burn prior to discharge	Pt doc no burn prior to D/C	M5
Patient fall in ASC facility	G8910	Patient documented to have experienced a fall within ASC	Pt doc to have fall in ASC	M5
	G8911	Patient documented <b>not</b> to have experienced a fall within Ambulatory Surgical Center	Pt doc no fall in ASC	M5
Wrong site, wrong side, wrong patient, wrong procedure, wrong implant	G8912	Patient documented to have experienced a wrong site, wrong side, wrong patient, wrong procedure or wrong implant event	Pt doc with wrong event	M5
	G8913	Patient documented <b>not</b> to have experienced a wrong site, wrong side, wrong patient, wrong procedure or wrong implant event	Pt doc no wrong event	M5
Hospital transfer/Admission	G8914	Patient documented to have experienced a hospital transfer or hospital admission upon discharge from ASC	Pt trans to hosp post D/C	M5
	G8915	Patient documented <b>not</b> to have experienced a hospital transfer or hospital admission upon discharge from ASC	Pt not trans to hosp at D/C	M5
Timing of Prophylactic	G8916	Patient with preoperative order for IV antibiotic	Pt w IV AB given on time	M5

antibiotic administration for SSI prevention		surgical site infection (SSI) prophylaxis, antibiotic initiated on time		
	G8917	Patient with preoperative order for IV antibiotic surgical site infection (SSI) prophylaxis, antibiotic <b>not</b> initiated on time	Pt w IV AB not given on time	M5
	G8918	Patient without preoperative order for IV antibiotic surgical site infection (SSI) prophylaxis	Pt w/o preop order IV AB prop	M5

ASCs may begin to report these quality measures on submitted ASC facility claims beginning with dates of service of April 1, 2012.

Additional information on the ASC quality reporting program and the required reporting of ASC measure submission timeframes and other program requirements is available on pages 74492 through 74517 in the CY2012 OPPTS/ASC Final rule in volume 76 of the Federal Register. CMS-1525-FC is available from the CMS website at: <http://www.cms.gov/HospitalOutpatientPPS/HORD/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=3&sortOrder=descending&itemID=CMS1253621&intNumPerPage=10>

#### 4. Corrected ASC Payment Rates for April 2012

CMS made corrections to the CY 2012 ASC payment rates and payment indicators issued in the CY 2012 OPPTS/ASC final rule with comment period (CMS-1525-FC), in a correction notice published in the Federal Register on January 4, 2012 (CMS-1525-CN). CMS will make additional corrections to CMS-1525-FC, in an upcoming correction notice. The April 2012 ASCFS file included in this transmittal is impacted by these corrections and reflect the corrected rates. These payment rates are retroactive to dates of service beginning with January 1, 2012. To view the revised ASC payment rates see the CMS April 2012 ASC Approved HCPCS Code and Payment Rates addenda, which have been updated to reflect these corrections and have been posted on the CMS website at: [http://www.cms.gov/ASCPayment/11\\_Addenda\\_Updates.asp#TopOfPage](http://www.cms.gov/ASCPayment/11_Addenda_Updates.asp#TopOfPage).

The ASCPI file is not impacted by these corrections but includes the April 2012 payment indicators.

Suppliers who think they may have received an incorrect payment between January 1, 2012 and March 31, 2012 may request contractor adjustment of the previously processed claims.

#### 5. 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. Carriers/Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for

coverage. For example, Carriers/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

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I	C A  R I E R	R H  H I	Shared-System Maintainers				OTHER
					F I S S	M C S	V M S	C W F			
7754.1	Contractors shall download and install the April 2012 ASCFS from the CMS mainframe.  FILENAME: <u>MU00.@BF12390.ASC.CY12.FS.APR.R.V0229</u> <b>NOTE: This file is effective retroactively to 01/01/2012</b> <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>	X			X						All EDCs
7754.1.1	Medicare contractors shall adjust as appropriate claims brought to their attention that : 1) Have dates of service that fall on or after January 1, 2012 but prior to April 1, 2012; 2) Were originally processed prior to the installation of the April 2012 ASCFS.	X			X						COBC
7754.2	Medicare contractors shall download and install the April 2012 ASC DRUG file.  FILENAME: <u>MU00.@BF12390.ASC.CY12.DRUG.APR.R.V0229</u> <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>	X			X						All EDCs
7754.3	Medicare contractors shall download and install the April 2012 ASC PI file.  FILENAME: <u>MU00.@BF12390.ASC.CY12.PI.APR.R.V0309</u> <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>	X			X						All EDCs



Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M M A C	F I  I E R	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7754.4	Medicare contractors shall download and install a revised July 2011 ASC DRUG file.  FILENAME: <u>MU00.@BF12390.ASC.CY11.DRUG.JUL.R.V0229</u> <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>	X			X						All EDCs
7754.4.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service July 1, 2011 through September 1, 2011 and ; 2) Were originally processed prior to the installation of the revised July 2011 ASC DRUG File.	X			X						COBC
7754.5	Medicare contractors shall download and install a revised October 2011 ASC DRUG file.  FILENAME: <u>MU00.@BF12390.ASC.CY11.DRUG.OCT.S.V0229</u> <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS</b>	X			X						All EDCs
7754.5.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service October 1, 2011 through December 31, 2011 and ; 2) Were originally processed prior to the installation of the revised October 2011 ASC DRUG File.	X			X						COBC
7754.6	Contractors shall modify the procedure code file and TOS tables for HCPCS codes C9288-C9291, C9733, G8907-G8918, on/after April 1, 2012	X			X						All EDCs
7754.7	CWF shall assign TOS F for HCPCS C9288-C9291, C9733, G8907-G8918, for claims with DOS on or after April 1, 2012									X	
7754.8	Contractors shall make the April 2012 ASCFS fee data for their ASC payment localities available on their web sites	X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B  M A C	D M E  M A C	F I  M A C	C A R I E R	R H I  I S S	Shared-System Maintainers			
					F I S S	M C S	V M S	C W F		
7754.9	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X			X					COBC

### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space: N/A**

### V. CONTACTS

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

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

## **VI. FUNDING**

### **Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

### **Section B: 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.