

Date: January 25, 2008

The payment rates for some of the surgical procedures listed in Addenda AA and BB to the CY 2008 OPPS/ASC final rule with comment period (72 FR 66580) have changed subsequent to publication. Due to a technical error in the development of the Medicare Physician Fee Schedule (MPFS) and to a subsequent legislative change (Medicare, Medicaid and SCHIP Extension Act of 2007) that affected the MPFS amounts, some CY 2008 ASC payment rates have changed. Some ASC procedure payments are based on the physician nonfacility PE RVU amount. The Medicare Medicaid, and SCHIP Extension Act provided for a 0.5 percent increase to the MPFS conversion factor for dates of service beginning January 1, 2008 through June 30, 2008 instead of the -10.1 percent update to the MPFS conversion factor that was anticipated. The same legislation also requires Medicare to pay hospital outpatient departments for brachytherapy sources at charges adjusted to costs for sources furnished before July 1, 2008, meaning that payment for these sources will be made at contractor-priced amounts under the ASC payment system during that same time period.

Thus, the payment rates for ASC services that are assigned payment indicator "P2" or "P3" in Addendum AA and payment indicator "Z2" or "Z3" in Addendum BB to the CY 2008 OPPS/ASC final rule with comment period may have changed since publication of the final rule. Further, payment rates for brachytherapy sources assigned payment indicator "H2" in the final rule with comment period have been removed and the "H2" payment indicator has been replaced with payment indicator "H7." The definition of "H7" as indicated in the August 2, 2007 revised ASC payment system final rule is "Brachytherapy source paid separately when provided integral to a surgical procedure on ASC list; payment contractor-priced."

The correct ASC payment rates for the period January 1, 2008 through March 31, 2008 are displayed in Addenda AA and BB for the first quarter of CY 2008 posted at this site.