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April 2018 Update of the Ambulatory Surgical Center (ASC) Payment System

MLN Matters Number: MM10530
Related Change Request (CR) Number: 10530
Related CR Release Date: March 9, 2018
Effective Date: April 1, 2018
Related CR Transmittal Number: R3996CP
Implementation Date: April 2, 2018

PROVIDER TYPE AFFECTED

This MLN Matters Article is intended for Ambulatory Surgical Centers (ASCs) billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

Change Request (CR) 10530 informs MACs about updates to the ASC payment system for January 2018. Be sure your billing staffs are aware of these changes.

BACKGROUND

CR10530 describes changes to billing instructions for various payment policies implemented in the April 2018 ASC payment system update and also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

This notification includes Calendar Year (CY) 2018 payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG) files. CMS is also including April 2018 ASC payment rates for covered surgical and ancillary services (ASCFS) update file. No ASC Code Pair file is being issued.

The changes in CR10530 are as follows:

1. New Separately Payable Procedure Code Effective April 1, 2018

Effective April 1, 2018, new HCPCS code C9749 has been created as described in the Table 1.

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Table 1 – New Separately Payable Procedure Code Effective April 1, 2018

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9749	Repair nasal stenosis w/imp	Repair of nasal vestibular lateral wall stenosis with implant(s)	J8

2. Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2018

For CY 2018, payment for non-pass-through drugs, biologicals and therapeutic radiopharmaceuticals 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, biological or therapeutic radiopharmaceutical. In addition, in CY 2018, a single payment of ASP + 6 percent continues to be made for pass-through drugs, biologicals and radiopharmaceuticals 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 April 1, 2018, and drug price restatements, can be found in the April 2018 update of ASC Addendum BB at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

b. April 2018 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective April 1, 2018

Several new HCPCS codes have been created for reporting drugs and biologicals in the ASC payment system effective April 1, 2018, where there have not previously been specific codes available. These new codes are listed in Table 2.

Table 2 – April 2018 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective April 1, 2018

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9462	Injection, delafloxacin	Injection, delafloxacin, 1 mg	K2
C9463	Injection, aprepitant	Injection, aprepitant, 1 mg	K2
C9464	Injection, rolapitant	Injection, rolapitant, 0.5 mg	K2
C9465	Injection, Durolane	Hyaluronan or derivative, Durolane, for intra-articular injection, per dose	K2
C9466	Injection, benralizumab	Injection, benralizumab, 1 mg	K2
C9467	Inj rituximab hyaluronidase	Injection, rituximab and hyaluronidase, 10 mg	K2
C9468	Inj, factor ix, Rebinyn	Injection, factor ix (antihemophilic factor, recombinant), glycopegylated, Rebinyn, 1 i.u..	K2
C9469	Inj triamcinolone acetonide	Injection, triamcinolone acetonide, preservative-free, extended-release, microsphere formulation, 1 mg	K2

c. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals based on ASP methodology may have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible on the CMS Web site on the first date of the quarter at http://cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html.

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request MACs to adjust previously processed claims.

d. Changes to Biosimilar Biological Product HCPCS Codes and Modifiers

Effective April 1, 2018, CMS is revising the long and short descriptors for HCPCS code Q5101. Table 3 displays the revised descriptors.

Table 3 – Revised Descriptors for Q5101

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
Q5101	Injection, zarxio	Injection, filgrastim-sndz, biosimilar, (zarxio), 1 microgram	K2

In addition, effective April 1, 2018, HCPCS codes Q5103, Injection, infliximab-dyyb, biosimilar, (inflectra), 10 mg, and Q5104 (Injection, infliximab-abda, biosimilar, (renflexis), 10 mg) will replace HCPCS code Q5102 (Inj., infliximab biosimilar). Table 4, describes coding changes, the ASC payment indicator, and effective dates for biosimilar biological product HCPCS codes.

Table 4 – Changes to Biosimilar Biological Product HCPCS Codes

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Added Date	Termination Date
Q5102*	Inj., infliximab biosimilar	Injection, infliximab, biosimilar, 10 mg	K2	07/01/2016	03/31/2018
Q5103	Injection, inflectra	Injection, infliximab-dyyb, biosimilar, (inflectra), 10 mg	K2	04/01/2018	
Q5104	Injection, renflexis	Injection, infliximab-abda, biosimilar, (renflexis), 10 mg	K2	04/01/2018	

*Note on Q5102: Q5102 was added 7/01/2016, and effective 4/5/2016.

The new biosimilar payment policy also makes the use of modifiers that describe the

manufacturer of a biosimilar product unnecessary. Therefore, modifiers ZA, ZB, and ZC will be discontinued for dates of service on or after April 1, 2018. Beginning April 1, 2018, Q5101, when performed, would no longer be required to be billed with a modifier. However, please note that both HCPCS codes Q5101 and Q5102, and the requirement to use applicable biosimilar modifiers remain in effect for dates of service prior to April 1, 2018.

3. 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. 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.

ADDITIONAL INFORMATION

The official instruction, CR10530, issued to your MAC regarding this change is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R3996CP.pdf.

If you have any questions, please contact your MAC at their toll-free number. That number is available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/

DOCUMENT HISTORY

Date of Change	Description
March 12, 2018	Initial article released