

MLN Matters Number: MM6184 **Revised**

Related Change Request (CR) #: 6184

Related CR Release Date: October 17, 2008

Effective Date: January 1, 2009

Related CR Transmittal #: R1616CP

Implementation Date: January 5, 2009

## Implementation of an Ambulatory Surgical Center (ASC) Healthcare Common Procedure Coding System (HCPCS) Payment Indicator File

**Note: This article was revised on February 15, 2018, to update Web addresses. All other information remains the same.**

### Provider Types Affected

ASCs submitting claims to Medicare contractors (carriers and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for ASC services provided to Medicare beneficiaries.

### Provider Action Needed



#### **STOP – Impact to You**

This article is based on Change Request (CR) 6184 which provides Medicare contractors with instructions for implementing an Ambulatory Surgical Center (ASC) Healthcare Common Procedure Coding System (HCPCS) payment indicator file.



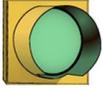
#### **CAUTION – What You Need to Know**

CR 6184 provides instructions to your Medicare contractor(s) to modify their systems to accept the new Ambulatory Surgical Center (ASC) Healthcare Common Procedure Coding System (HCPCS) Payment Indicator File and ensure that it properly interfaces with the other ASC files in order to process ASC claims appropriately. This new file will enable your Medicare contractor(s) to enhance their ability to (1) identify all separately payable and non-separately payable (packaged) services, as well as non-

#### **Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2007 American Medical Association.

payable services and (2) provide more precise messaging via remittance advice remark codes in the processing and disposition of ASC claims for all HCPCS codes submitted by ASCs.



### **GO – What You Need to Do**

See the Background and Additional Information Sections of this article for further details regarding these changes.

## **Background**

---

As required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA; Section 626 of), the Centers for Medicare & Medicaid Services (CMS) implemented a revised Ambulatory Surgical Center (ASC) payment system January 1, 2008.

CMS provided in CR 5680 (Transmittal 1325, August 29, 2007; see related MLN Matters article at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM5680.pdf> on the CMS website) supporting ASC file record layouts of the ASC facility payment file (ASCFS) and ASC Drug File to interface with the instructions issued to implement the revised ASC payment system. The ASCFS includes rates for all services that are eligible for payment under the revised ASC payment system, except separately paid drugs and biologicals, and the ASC Drug File provides the rates for all drugs and biologicals that are eligible for separate payment under the revised ASC payment system.

Using defined “payment indicators” (72 FR 67189-67190), CMS identifies each covered service that is eligible for ASC payment and the payment methodology by which the payment amount is calculated. The payment indicators also indicate which services’ costs are packaged into the payment for other services and which surgical procedures are excluded from Medicare payment.

For Calendar Year (CY) 2008, Medicare contractors did not have access to the ASC payment indicators for all services and, therefore, were unable to accurately determine the specific reason for nonpayment in all cases, though the payment decisions made on the claims were correct.

CR 6184 announces that CMS is providing a file of the ASC payment indicators that are assigned to each HCPCS code in order to enhance the ability of Medicare contractors to identify both separately payable and non-separately payable (packaged) services, as well as non-payable services. This information will enable contractors to provide detailed messaging in the processing and disposition of ASC claims for all HCPCS codes submitted by ASCs.

In addition to the ASCFS and ASC Drug File(s), CMS is providing Medicare contractors with a more comprehensive list of HCPCS codes and the payment indicator assigned to

### **Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2007 American Medical Association.

each of the codes. Beginning January 1, 2009, Medicare contractors will be able to process ASC claims using the revised ASC HCPCS Code Payment Indicator file and will provide messaging to ASCs and beneficiaries, in part, based on the "messaging" provided in CR 6184. The specific payment indicators are identified in an attachment to CR6184.

## Additional Information

---

The official instruction, CR 6184, issued to your carrier and A/B MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1616CP.pdf>. Attachment B of CR6184 contains the list of ASC payment indicators and their respective definitions.

See the MLN Matters® article MM6630 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM6630.pdf> for an update regarding a correction regarding liability for intraocular lenses in the ASC Payment Indicator File discussed in this article.

If you have any questions, please contact your carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html>.

- February 3, 2009 – Initial article released.
- February 15, 2018 – The article is revised to update Web addresses. All other information remains the same.

Copyright © 2017, the American Hospital Association, Chicago, Illinois. Reproduced with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816 or Laryssa Marshall at (312) 893-6814. You may also contact us at [ub04@healthforum.com](mailto:ub04@healthforum.com).

The American Hospital Association (the "AHA") has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.

### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2007 American Medical Association.