

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3996	Date: March 9, 2018
	Change Request 10530

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

I. SUMMARY OF CHANGES: This Recurring Update Notification of the ASC payment system, applies to 100-04, chapter 14, section 30.1 of the Internet-Only Manual (IOM).

EFFECTIVE DATE: April 1, 2018

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

IMPLEMENTATION DATE: April 2, 2018

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:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal:3996	Date: March 9, 2018	Change Request: 10530
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SUBJECT: April 2018 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: April 1, 2018

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

IMPLEMENTATION DATE: April 2, 2018

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the April 2018 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Included in this notification are 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. We are also including an April 2018 ASC payment rates for covered surgical and ancillary services (ASCFS) update file. No ASC Code Pair file is being issued.

B. Policy: 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. (see Attachment A: Policy Section Tables).

2. Drugs, Biologicals, and Radiopharmaceuticals

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

For CY 2018, payment for nonpass-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 is made 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 on the CMS Web site 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. (see Attachment A: Policy Section Tables).

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 contractor adjustment of the 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. (see Attachment A: Policy Section Tables).

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. (see Attachment A: Policy Section Tables).

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. Medicare Administrative Contractors (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.

4. Attachment

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
10530.1	<p>Medicare contractors shall download the April 2018 ASCFS from the CMS mainframe.</p> <p>FILENAME: MU00.@BF12390.ASC.CY18.FS.APRA.V0309</p> <p>NOTE: The April 2018 ASCFS is a partial update.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDCs	

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
10530.2	Medicare contractors shall download and install the April 2018 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY18.DRUG.APRA.V0323 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
10530.3	Medicare contractors shall download and install the April 2018 ASC PI file. FILENAME: MU00.@BF12390.ASC.CY18.PI.APRA.V0309 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
10530.4	Contractors and CWF shall add TOS F and/or revise descriptors, as appropriate, for HCPCS included in attachment A, table 1-4, effective for services April 1, 2018 and later payable in the ASC setting.		X					X		
10530.5	Contractors and CWF shall end date Q5102, as appropriate, in their systems effective March 31, 2018.		X					X		
10530.6	CWF, as appropriate, shall remove the TOS F records for Q5102, as appropriate, effective March 31, 2018.							X		
10530.7	Contractors shall discontinue modifiers ZA, ZB, and ZC for dates of service on or after April 1, 2018.		X							
10530.8	As appropriate, contractors shall end date the use of a modifier requirement with Q5101 effective April 1, 2018.		X							
10530.9	If released by CMS, Medicare contractors shall download and install the revised January 2018 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY18.DRUG.JANB.V0323		X						VDCs	

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	NOTE: Date of retrieval will be provided in a separate email communication from CMS.									
10530.9.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service January 1, 2018 - March 31, 2018; and 2) Were originally processed prior to the installation of the revised January 2018 ASC DRUG File.		X							
10530.10	If released by CMS, Medicare contractors shall download and install the revised October 2017 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY17.DRUG.OCTC.V0323 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
10530.10.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service October 1, 2017 - December 31, 2017; and 2) Were originally processed prior to the installation of the revised October 2017 ASC DRUG File.		X							
10530.11	If released by CMS, Medicare contractors shall download and install the revised July 2017 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY17.DRUG.JULD.V0323 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
10530.11.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service July 1, 2017 - September 30,		X							

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	2017; and 2) Were originally processed prior to the installation of the revised July 2017 ASC DRUG File.									
10530.12	If released by CMS, Medicare contractors shall download and install the revised April 2017 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY17.DRUG.APRD.V0323 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
10530.12.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service April 1, 2017 - June 30, 2017; and 2) Were originally processed prior to the installation of the revised April 2017 ASC DRUG File.		X							
10530.13	Contractors shall make April 2018 ASCFS fee data for their ASC payment localities available on their web sites.		X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
10530.14	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it		X			

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H	M A C	
	in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's 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.					

IV. 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:
1-4	Attachment A: POLICY SECTION TABLES

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

V. CONTACTS

Pre-Implementation Contact(s): Chuck Braver, 410-786-6719 or chuck.braver@cms.hhs.gov (ASC Payment Policy) , Yvette Cousar, 410-786-2160 or yvette.cousar@cms.hhs.gov (Carrier/ AB MAC Claims Processing Issues) , Mark Baldwin, 410-786-8139 or mark.baldwin@cms.hhs.gov (Carrier/ AB MAC Claims Processing Issues)

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

VI. FUNDING

Section A: 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.

ATTACHMENTS: 1

Attachment A – Tables for the Policy Section

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

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

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

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, effective 4/5/2016.