

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 4319	Date: June 14, 2019
	Change Request 11328

SUBJECT: July 2019 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 July 2019 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

EFFECTIVE DATE: July 1, 2019

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

IMPLEMENTATION DATE: July 1, 2019

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: 4319	Date: June 14, 2019	Change Request: 11328
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SUBJECT: July 2019 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: July 1, 2019

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

IMPLEMENTATION DATE: July 1, 2019

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the July 2019 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Calendar year (CY) 2019 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created CPT and Level II HCPCS codes for drugs and biologicals (ASC DRUG) files, are included in this notification. A July 2019 Ambulatory Surgical Center Payment Indicator (ASC PI) File, a corrected January 2019 Ambulatory Surgical Center Fee Schedule (ASCFS), and a July 2019 ASCFS are also included. No ASC Code Pair file is being issued in this transmittal.

B. Policy: 1. New CPT Category III Codes Effective July 1, 2019

Similar to the vaccine codes, the AMA releases the CPT Category III codes twice per year: in January, for implementation beginning the following July, and in July, for implementation beginning the following January.

Effective July 1, 2019, CMS is implementing 5 CPT Category III codes in the ASC payment system that the AMA released in January 2019 for implementation on July 1, 2019. These codes, along with their short and long descriptors, and their ASC PIs are shown in Table 1, attachment A. These codes are also included in the July 2019 ASC addenda, which is posted on the CMS website. (see Attachment A: Policy Section Tables).

2. Drugs and Biologicals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2019

For CY 2019, payment for nonpass-through drugs and biologicals 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 or biological. In addition, in CY 2019, a single payment of ASP + 6 percent continues to be made for OPPS pass-through drugs, and biologicals 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 July 1, 2019, can be found in the July 2019 update of ASC Addendum BB on the CMS website at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

b. New Established HCPCS Codes for Separately Payable Drugs and Biologicals as of July 1, 2019

Ten new separately payable drug and biological HCPCS codes will be established on July 1, 2019. Eight of the products are new. HCPCS code J7208 will replace HCPCS code C9141. Another HCPCS code, J9030, will replace HCPCS code J9031. The new codes are listed in Table 2, attachment A. HCPCS codes C9141,

and J9031 will be deleted effective June 30, 2019 (see Attachment A: Policy Section Tables).

c. Descriptor Change for the HCPCS code J9355, Effective July 1, 2019

Effective July 1, 2019, the descriptors for the HCPCS code J9355 were updated. Both the old and new descriptors are located in table 3, attachment A (see Attachment A: Policy Section Tables).

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

Some drugs and biologicals with payment rates based on the ASP methodology may have their payment rates corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payment rates will be accessible on the CMS Web site on the first date of the quarter at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Restated-Payment-Rates.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.

3. Payment Indicator Revision for Flu Vaccine CPT Code 90689

Currently, CPT code 90689 is assigned to status indicator "E1" in the OPSS to indicate that the vaccine is not paid by Medicare when submitted on outpatient claims (any outpatient bill type). This policy is also applicable to ASCs. However, as noted in Change Request 10871 (Quarterly Influenza Virus Vaccine Code Update - January 2019), Transmittal 4141, dated September 27, 2018, effective for claims with dates of service on or after January 1, 2019, CPT 90689 will be payable by Medicare. The vaccine is packaged in the ASC payment system; therefore, we are revising the status indicator to "L1" (L1:Influenza vaccine; pneumococcal vaccine. Packaged item/service; no separate payment made.) for CPT code 90689 retroactive to January 1, 2019. Please note that packaged codes should not be separately billed by ASCs. Refer to Table 4, attachment A, for the code descriptors and payment indicator assignment (see Attachment A: Policy Section Tables).

4. Certain CPT codes with Incorrect January 2019 ASC Payment Rate Assignments

Several CPT codes had the wrong payment rate assignment in the January 2019 Update of the Ambulatory Surgical Center (ASC) Payment System. The payment rates have been corrected as part of this July 2019 Update of the ASC Payment System, and are included in the July 2019 Addendum AA and BB updates. These payment rate corrections are retroactive to January 1, 2019. The effected CPT codes are: 29710, 51727, 70555, 70557, 74176, 74775, 79300, 79445, and 0308T.

Suppliers who think they may have received an incorrect payment amount for these services 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. 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.

6. 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	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
11328.1	<p>Medicare contractors shall download the July 2019 ASCFS from the CMS mainframe.</p> <p>FILENAME: MU00.@BF12390.ASC.CY19.FS.JULA.V0603</p> <p>NOTE: The July 2019 ASCFS is a partial update.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC	
11328.2	<p>Medicare contractors shall download and install the July 2019 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY19.DRUG.JULA.V0617</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC	
11328.3	<p>Medicare contractors shall download and install the July 2019 ASC PI file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY19.PI.JULA.V0610</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC	
11328.4	<p>Contractors and Common Working File (CWF) shall add the procedure codes to the system's procedure code file [Type of Service (TOS) F] and/or revise descriptors, as appropriate, for HCPCS included in attachment A, tables 1-3, effective for services July 1, 2019 and later payable in the ASC setting.</p>		X						X		
11328.5	<p>Contractors and CWF shall end date as appropriate, C9746 in table 1, and the CY 2019 HCPCS/CPT codes</p>		X						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	
	in table 2 in their systems, effective June 30, 2019. NOTE: the impacted table 2 codes appear in the ‘Old HCPCS Codes’ column.								
11328.6	CWF, as appropriate, shall remove the TOS F records as appropriate, for the CY 2019 HCPCS/CPT codes in tables 1 and 2, effective June 30, 2019.								X
11328.7	Medicare contractors shall download the corrected January 2019 ASCFS from the CMS mainframe. FILENAME: MU00.@BF12390.ASC.CY19.FS.JANB.V0603 NOTE: The January 2019 ASCFS is a full replacement file. NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDC
11328.7.1	Medicare contractors shall adjust as appropriate claims for CPT codes: 29710, 51727, 70555, 70557, 74176, 74775, 79300, 79445, and 0308T, that are brought to their attention that: 1) Have dates of service January 1, 2019 - June 30, 2019; and 2) Were originally processed prior to the installation of the revised January 2019 ASCFS File.		X						
11328.8	If released by CMS, Medicare contractors shall download and install the revised April 2019 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY19.DRUG.APRB.V0617 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDC

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	
11328.8.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service April 1, 2019 - June 30, 2019; and</p> <p>2) Were originally processed prior to the installation of the revised April 2019 ASC DRUG File.</p>		X						
11328.9	<p>If released by CMS, Medicare contractors shall download and install the revised January 2019 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY19.DRUG.JANB.V0617</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
11328.9.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service January 1, 2019 - March 31, 2019; and</p> <p>2) Were originally processed prior to the installation of the revised January 2019 ASC DRUG File.</p>		X						
11328.10	<p>If released by CMS, Medicare contractors shall download and install the revised October 2018 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY18.DRUG.OCTD.V0617</p>		X						VDC

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.									
11328.10.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service October 1, 2018 - December 31, 2018; and 2) Were originally processed prior to the installation of the revised October 2018 ASC DRUG File.		X							
11328.11	If released by CMS, Medicare contractors shall download and install the revised July 2018 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY18.DRUG.JULE.V0617 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDC	
11328.11.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service July 1, 2018 - September 30, 2018; and 2) Were originally processed prior to the installation of the revised July 2018 ASC DRUG File.		X							
11328.12	Contractors shall make July 2019 ASCFS fee data for their ASC payment localities available on their web sites.		X							
11328.13	Contractors shall notify CMS of successful receipt via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received, (e.g., CLAB, ASP, etc.) and		X						VDC	

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	
	the entity for which it was received (i.e., include states, carrier numbers, quarter, and if Part A, Part B, or both).									

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				
11328.14	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.		X			

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): Yvette Cousar, 410-786-2160 or yvette.cousar@cms.hhs.gov (Part B MAC Claims Processing) , Chuck Braver, 410-786-6719 or chuck.braver@cms.hhs.gov (ASC Payment Policy)

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 – Policy Section Tables

Table 1. – New CPT Category III Codes Effective July 1, 2019

CPT Code	Short Descriptor	Long Descriptor	ASC PI
0548T*	Tprnl balo cntnc dev bi	Transperineal periurethral balloon continence device; bilateral placement, including cystoscopy and fluoroscopy	J8
0549T	Tprnl balo cntnc dev uni	Transperineal periurethral balloon continence device; unilateral placement, including cystoscopy and fluoroscopy	J8
0550T	Tprnl balo cntnc dev rmvl ea	Transperineal periurethral balloon continence device; removal, each balloon	G2
0551T	Tprnl balo cntnc dev adjmt	Transperineal periurethral balloon continence device; adjustment of balloon(s) fluid volume	R2
0558T	Ct scan f/biomchn ct alys	Computed tomography scan taken for the purpose of biomechanical computed tomography analysis	Z2

*HCPCS code C9746 (Transperineal implantation of permanent adjustable balloon continence device, with cystourethroscopy, when performed and/or fluoroscopy, when performed), which was effective July 1, 2017, was deleted June 30, 2019, and replaced with CPT code 0548T effective July 1, 2019.

Table 2. – New Established HCPCS Codes for Separately Payable Drugs and Biologicals as of July 1, 2019

New HCPCS Codes	Old HCPCS Codes	Short Descriptor	Long Descriptor	ASC PI
J9036		Inj., belrapzo/bendamustine	Injection, bendamustine hydrochloride, (Belrapzo/bendamustine), 1 mg	K2
J7208	C9141	Inj. jivi 1 iu	Injection, factor viii, (antihemophilic factor, recombinant), pegylated-aucl, (jivi), 1 i.u.	K2
J9356		Inj. herceptin hylecta, 10mg	Injection, trastuzumab, 10 mg and Hyaluronidase-oysk	K2
J9030	J9031	Bcg live intravesical 1mg	BCG live intravesical instillation, 1 mg	K2
C9047		Injection, caplacizumab-yhdp	Injection, caplacizumab-yhdp, 1 mg	K2
C9048		Dexamethasone ophth insert	Dexamethasone, lacrimal ophthalmic insert, 0.1 mg	K2
C9049		Injection, tagraxofusp-erzs	Injection, tagraxofusp-erzs, 10 mcg	K2
C9050		Injection, emapalumab-lzsg	Injection, emapalumab-lzsg, 1 mg	K2
C9051		Injection, omadacycline	Injection, omadacycline, 1 mg	K2
C9052		Injection, ravulizumab-cwv	Injection, ravulizumab-cwvz, 10 mg	K2

Table 3. – Descriptor Change for the HCPCS code J9355, Effective July 1, 2019

HCPCS code	Old Short Descriptor	New Short Descriptor	Old Long Descriptor	New Long Descriptor

J9355	Trastuzumab injection	Inj trastuzumab excl biosimi	Injection, trastuzumab, 10 mg	Injection, trastuzumab, excludes biosimilar, 10 mg
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Table 4. — Payment Indicator Revision for Flu Vaccine CPT Code 90689

CPT Code	Short Descriptor	Long Descriptor	ASC PI
90689	Vacc iiv4 no prsrv 0.25ml im	Influenza virus vaccine, quadrivalent (iiv4), inactivated, adjuvanted, preservative free, 0.25 ml dosage, for intramuscular use	L1