

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3279	Date: June 5, 2015
	Change Request 9207

SUBJECT: July 2015 Update of the Ambulatory Surgical Center (ASC) Payment System

I. SUMMARY OF CHANGES: This Recurring Update Notification describes changes to billing instructions for various payment policies implemented in the July 2015 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10.

EFFECTIVE DATE: July 1, 2015

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

IMPLEMENTATION DATE: July 6, 2015

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: 3279	Date: June 5, 2015	Change Request: 9207
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SUBJECT: July 2015 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: July 1, 2015

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

IMPLEMENTATION DATE: July 6, 2015

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to billing instructions for various payment policies implemented in the July 2015 ASC payment system update and includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Many ASC payment rates under the ASC payment system are established using payment rate information in the Medicare Physician Fee Schedule (MPFS). The payment files associated with this transmittal reflect the most recent changes to CY 2015 MPFS payment impacted by the Medicare Access and CHIP Reauthorization Act of 2015 effective July 1, 2015.

B. Policy:

1. New Device Pass-Through Category and Device Offset from Payment

Additional payments may be made to the ASC for covered ancillary services, including certain implantable devices with pass-through status under the outpatient prospective payment system (OPPS). Section 1833(t)(6)(B) of the Social Security Act (the Act) requires that, under the OPPS, categories of devices be eligible for transitional pass-through payments for at least 2, but not more than 3 years. Section 1833(t)(6)(B)(ii)(IV) of the Act requires that we create additional categories for transitional pass-through payment of new medical devices not described by current or expired categories of devices. This policy was implemented in the 2008 revised ASC payment system.

CMS is establishing one new HCPCS device pass-through category as of July 1, 2015 for the OPPS and the ASC payment systems. Table 1 provides a listing of new coding and payment information concerning the new device category for transitional pass-through payment. HCPCS code C2613 (Lung biopsy plug with delivery system) is assigned ASC PI= J7 (OPPS pass-through device paid separately when provided integral to a surgical procedure on ASC list; payment contractor-priced). (see Attachment A: Policy Section Tables).

a. Device Offset from Payment: Beginning on and after the effective date of July 1, 2015, CMS will take a device offset when C2613 device is billed with CPT Code 32405 (Biopsy, lung or mediastinum, percutaneous needle). The ASC Code Pair File will be used to establish the reduced ASC payment amount for CPT code 32405 (2.36% reduction) when billed with HCPCS code C2613.

b. Application of Offset to CPT codes 37224 and 37226 when billed with C2623: In the April 2015 Update to the ASC Payment System, transmittal R3234 CP, change request 9100, we determined that an offset would apply to CPT codes 37224 and 37226 when billed with C2623 device, because CPT codes 37224 and 37226 already contained costs associated with the device described by C2623. After further review, we have determined that the costs associated with C2623 are not packaged into CPT codes 37224 and 37226. Therefore, we are not applying an offset to CPT 37224 and 37226. This determination to not apply the device offset from payment will be retroactive to April 1, 2015.

Suppliers who think they may have received an incorrect payment for CPT codes 37224 and 37226 impacted by these corrections, may request contractor adjustment of the previously processed claims.

2. Category III CPT Codes

The AMA releases Category III CPT codes twice per year: in January, for implementation beginning the following July, and in July, for implementation beginning the following January. For the July 2015 update, CMS is implementing in the OPSS two Category III CPT codes that the AMA released in January 2015 for implementation on July 1, 2015. Both Category III CPT codes are separately payable under the ASC payment system. The CPT code, short descriptor, long descriptor, and payment indicator for these codes are shown in Table 2 (see Attachment A: Policy Section Tables). Payment rates for these services can be found in the July 2015 ASC Update addenda that are posted on the CMS website.

3. LINX Reflux Management System

In January 2014, CMS established HCPCS code C9737 to describe the laparoscopic implantation of a magnetic esophageal ring for the treatment of gastroesophageal reflux disease (GERD), which is the procedure associated with the LINX Reflux Management System. For the July 2015 update, the CPT Editorial Panel established CPT code 0392T to describe the LINX Reflux Management System. With the establishment of the CPT code, CMS is deleting HCPCS code C9737 effective June 30, 2015. Therefore, effective July 1, 2015, ASCs must report CPT code 0392T to report the implantation of a magnetic esophageal ring associated with the LINX Reflux Management System procedure.

4. Drugs, Biologicals, and Radiopharmaceuticals

1. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2015

For CY 2015, payment for nonpass-through drugs, biologicals and therapeutic radiopharmaceuticals is 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 CY 2015, a single payment of ASP + 6 percent 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 July 1, 2015 can be found in the July 2015 ASC Addendum BB on the CMS Web site at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html .

b. 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.

c. Drugs and Biologicals with OPSS Pass-Through Status Effective July 1, 2015

For July 2015, three new HCPCS codes have been created in Table 3 for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available. (see Attachment A: Policy Section Tables).

d. Revised Descriptor for HCPCS Code C9349

Effective July 1, 2015, the descriptor for HCPCS code C9349 has changed. The previous and revised descriptors are shown in table 4. (see Attachment A: Policy Section Tables).

e.Revised ASC Payment Indicators for HCPCS Codes 90620 and 90621

Effective July 1, 2015, the payment indicators for HCPCS codes 90620 (Menb pr w/omv vaccine im) and 90621 (Menb rlp vaccine im) will change to PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.).

These codes are listed in Table 5 below along with the effective date for the revised status indicator. (see Attachment A: Policy Section Tables).

f.Other Changes to CY 2015 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals

Effective July 1, 2015, HCPCS code Q9978 will replace HCPCS code C9448. The status indicator will remain K2, “Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.”. The termination date for C9448 is June 30, 2015.

Table 6 below describes the HCPCS code change and effective date. (see Attachment A: Policy Section Tables).

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. Attachments

Attachment A: POLICY SECTION TABLES

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	
9207.1	Contractors shall download and install the July 2015 ASCFS from the CMS mainframe. FILENAME: MU00.@BF12390.ASC.CY15.FS.JULA.V0603		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: The July 2015 ASCFS is a full replacement file. NOTE: Date of retrieval will be provided in a separate email communication from CMS.									
9207.2	Medicare contractors shall download and install the July 2015 ASC DRUG file. FILENAME: <u>MU00.@BF12390.ASC.CY15.DRUG.JULA.V0624</u> NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
9207.3	Medicare contractors shall download and install the July 2015 ASC PI file. FILENAME: MU00.@BF12390.ASC.CY15.PI.JULA.V0610 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
9207.4	Medicare contractors shall download and install the July 2015 ASC Code Pair file. FILENAME: MU00.@BF12390.ASC.CY15.CPAIR.V0615 NOTE: The July 2015 ASC Code Pair file is a changes only file. NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDCs	
9207.5	Contractors and CWF shall add TOS F for HCPCS included in attachment A, tables 1-3, 5, and Q9978, effective for services July 1, 2015 and later payable in the ASC setting.		X						X	
9207.6	Contractors and CWF shall end date HCPCS C9737 and C9448 in their systems effective June 30, 2015.		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	C W F	
	<p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY15.DRUG.JANC.V0624</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>									
9207.10.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service January 1, 2015- March 31, 2015 and ;</p> <p>2) Were originally processed prior to the installation of the revised January 2015 ASC DRUG File.</p>		X							
9207.11	<p>If released by CMS, Medicare contractors shall download and install the revised April 2015 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY15.DRUG.APRB.V0624</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDCs	
9207.11.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service April 1, 2015- June 30, 2015 and ;</p> <p>2) Were originally processed prior to the installation of the revised April 2015 ASC DRUG File.</p>		X							
9207.12	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that contain CPT code 37224 or 37226, and C2623:</p> <p>1) Have dates of service April 1, 2015- June 30, 2015 and ;</p> <p>2) Were originally processed prior to the implementation of the July 2015 Update of the Ambulatory Surgical Center (ASC) Payment System.</p>		X							

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	
9207.13	Contractors shall make July 2015 ASCFS fee data for their ASC payment localities available on their web sites.		X							
9207.14	Medicare contractors shall remove/end date the ASC code pairs and offsets from their systems, including those with modifiers, effective April 1, 2015, for the following code pairs: 37224 and C2623, and, 37226 and C2623.		X						VDCs	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
9207.15	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 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.		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	Attachment A: POLICY SECTION TABLES

X-Ref Requirement Number	Recommendations or other supporting information:
2	Attachment A: POLICY SECTION TABLES
3	Attachment A: POLICY SECTION TABLES
4	Attachment A: POLICY SECTION TABLES
5	Attachment A: POLICY SECTION TABLES
12	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 (Carrier/ AB MAC Claims Processing Issues) , Chuck Braver, 410-786-6719 or chuck.braver@cms.hhs.gov (ASC Payment Policy) , 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

POLICY SECTION TABLES

Table 1 – New Device Pass-Through Code Effective July 1, 2015

HCPCS	Short Descriptor	Long Descriptor	ASC PI	Device Offset from Payment
C2613	Lung bx plug w/del sys	Lung biopsy plug with delivery system	J7	\$24.83

Table 2 -- Category III CPT Codes Implemented as of July 1, 2015

CY 2015 CPT Code	Long Descriptor	Short Descriptor	July 2015 ASC PI
0392T	Laparoscopy, surgical, esophageal sphincter augmentation procedure, placement of sphincter augmentation device (ie, magnetic band)	Lap es sph augment dev place	G2
0393T	Removal of esophageal sphincter augmentation device	Es sph augmnt device removal	G2

Table 3 – Drugs and Biologicals with OPPS Pass-Through Status Effective July 1, 2015

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9453	Injection, nivolumab, 1 mg	Injection, nivolumab	K2
C9454	Injection, pasireotide long acting, 1 mg	Inj, pasireotide long acting	K2
C9455	Injection, siltuximab, 10 mg	Injection, siltuximab	K2

Table 4 – Revised Descriptor for HCPCS Code C9349

HCPCS Code	Previous 2015 Short Descriptor	Previous 2015 Long Descriptor	Revised July 2015 Short Descriptor	Revised July 2015 Long Descriptor
C9349	FortaDerm, FortaDerm Antimic	FortaDerm , and FortaDerm Antimicrobial, any type, per square centimeter	PuraPly, PuraPly Antimic	PuraPly, and PuraPly Antimicrobial, any type, per square centimeter

Table 5 – Drug and Biological with Revised Status Indicator

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
90620	Meningococcal recombinant protein and outer membrane vesicle vaccine, serogroup B, 2 dose schedule, for intramuscular use	Menb rp w/omv vaccine im	K2
90621	Meningococcal recombinant lipoprotein	Menb rlp vaccine im	K2

	vaccine, serogroup B, 3 dose schedule, for intramuscular use		
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Table 6 – Other Changes to CY 2015 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Added Date	Termination Date
C9448*	Oral netupitant palonosetron	Netupitant 300mg and palonosetron 0.5 mg, oral	K2	04/01/2015	06/30/2015
Q9978	Netupitant Palonosetron oral	Netupitant 300 mg and Palonosetron 0.5 mg, oral	K2	07/01/2015	