

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 3361</b>	<b>Date: September 25, 2015</b>
	<b>Change Request 9310</b>

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

**I. SUMMARY OF CHANGES:** This Recurring Update Notification updates HCPCS, ASC billing instructions and payment policies related to Chapter 14, section 10 of the Medicare Claims Processing Manual.

**EFFECTIVE DATE: October 1, 2015**

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

**IMPLEMENTATION DATE: October 5, 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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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: 3361	Date: September 25, 2015	Change Request: 9310
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**SUBJECT: October 2015 Update of the Ambulatory Surgical Center (ASC) Payment System**

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## **I. GENERAL INFORMATION**

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

### **B. Policy: 1. New Separately Payable Procedure Code**

There is one new separately payable procedure that is effective October 1, 2015. The HCPCS code is C9743. The short descriptor is: Bulking/spacer material impl (*NOTE: The short descriptor field is limited to 28-characters, including spaces. This short descriptor is exactly 28 characters.*)

The long descriptor is: Injection/implantation of bulking or spacer material (any type) with or without image guidance (not to be used if a more specific code applies). This code is being assigned the ASC Payment Indicator "G2" (*Non office-based surgical procedure added in CY 2008 or later; payment based on OPSS relative payment weight*).

### **2. Revised Coding Guidance for Intraocular or Periocular Injections of Combinations of Anti-Inflammatory Drugs and Antibiotics**

Intraocular or periocular injections of combinations of anti-inflammatory drugs and antibiotics are being used with increased frequency in ocular surgery (primarily cataract surgery). One example of combined or compounded drugs includes triamcinolone and moxifloxacin with or without vancomycin. Such combinations may be administered as separate injections or as a single combined injection. Because such injections may obviate the need for post-operative anti-inflammatory and antibiotic eye drops, some have referred to cataract surgery with such injections as "dropless cataract surgery."

As stated in Chapter VIII, section D, item 20 of the CY 2015 NCCI Policy Manual, injection of a drug during a cataract extraction procedure or other ophthalmic procedure is not separately reportable. Specifically, no separate procedure code may be reported for any type of injection during surgery or in the perioperative period. Injections are a part of the ocular surgery and are included as a part of the ocular surgery and the HCPCS code used to report the surgical procedure.

According to Pub.100-04, the Medicare Claims Processing Manual, Chapter 17, section 90.2, the compounded drug combinations described above and similar drug combinations, when reported, should be reported with HCPCS code Q9977 (Compounded Drug, Not Otherwise Classified), and are packaged as surgical supplies in both the HOPD and the ASC. Although these drugs are a covered part of the ocular surgery, no separate payment will be made. In addition, these drugs and drug combinations may not be reported with HCPCS code C9399. According to the Medicare Claims Processing Manual, Chapter 30, section 40.3.6, physicians or facilities should not give Advance Beneficiary Notices (ABNs) to beneficiaries for either these drugs or for injection of these drugs because they are fully covered by Medicare. Physicians or facilities are not permitted to charge the patient an extra amount (beyond the standard copayment for the surgical procedure) for these injections or the drugs used in these injections because they are a covered part

of the surgical procedure. Also, physicians or facilities cannot circumvent packaged payment in the HOPD or ASC for these drugs by instructing beneficiaries to purchase and bring these drugs to the facility for administration.

### **3. Drugs, Biologicals, and Radiopharmaceuticals**

#### **a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective October 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 October 1, 2015 can be found in the October 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](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 OPPS Pass-Through Status Effective October 1, 2015**

For October 2015, two new HCPCS codes have been created in Table 1 for reporting drugs and biologicals in the ASC setting with OPPS pass-through status, where there have not previously been specific codes available. (see Attachment A: Policy Section Tables).

#### **d. New HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Biosimilar Biological Products**

Effective October 1, 2015 one new HCPCS code has been created for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available. This new code is listed in Table 2, (see Attachment A: Policy Section Tables).

#### **e. Revised Payment Indicator and Effective Dates for HCPCS Codes 90620 and 90621**

Effective January 23, 2015, the payment indicator for HCPCS codes 90620 (Menb pr w/omv vaccine im) will change from ASC PI=Y5 (Non-Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.) to ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate).

Effective October 29, 2014, the payment indicator for HCPCS code 90621 (Menb rlp vaccine im) will change from ASC PI=Y5 (Non-Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.) to ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate).

Suppliers who think they may have received an incorrect payment impacted by this change may request contractor adjustment of the previously processed claims.

These codes are listed in Table 3, (see Attachment A: Policy Section Tables), along with the effective date for the revised payment indicator.

**f. Revised Payment Indicator for HCPCS Code Q5101**

Effective September 3, 2015, the payment indicator for HCPCS code Q5101 (Injection, Filgrastim (G-CSF), Biosimilar, 1 microgram) will change from ASC PI Y5 (Non-Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.) to ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate).

Suppliers who think they may have received an incorrect payment impacted by this change may request contractor adjustment of the previously processed claims.

This code is listed in Table 3, (see Attachment A: Policy Section Tables), along with the effective date for the revised payment indicator.

**4. 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.

**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	
9310.1	Medicare contractors shall download and install the October 2015 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY15.DRUG.OCTA.V0924  NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDC	

9310.2	<p>Medicare contractors shall download and install the October 2015 ASC PI file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY15.PI.OCTA.V0915</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
9310.3	<p>Contractors and CWF shall add TOS F for HCPCS included in attachment A, tables 1-2, and C9743, effective for services October 1, 2015 and later payable in the ASC setting.</p>		X					X	
9310.4	<p>Contractors and CWF shall add or modify the TOS F effective date, as appropriate, for HCPCS included in attachment A, table 3:</p> <p>1) from July 1, 2015 to January 23, 2015 and later for HCPCS 90620;</p> <p>2) from July 1, 2015 to October 29, 2014 and later for HCPCS 90621, and;</p> <p>3) beginning September 3, 2015 and later for HCPCS Q5101, in the ASC setting.</p>		X					X	
9310.4.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention with HCPCS 90620 that:</p> <p>1) Have dates of service January 23, 2015 and later and ;</p> <p>2) Were originally processed prior to the installation of the revised January 2015-April 2015 ASC Drug Files.</p>		X						
9310.4.2	<p>Medicare contractors shall adjust as appropriate claims brought to their attention with HCPCS 90621 that:</p> <p>1) Have dates of service October 29, 2014 and later and ;</p> <p>2) Were originally processed prior to the installation of the revised October 2014-April 2015 ASC Drug Files.</p>		X						

9310.5	<p>If released by CMS, Medicare contractors shall download and install the revised October 2014 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY14.DRUG.OCTD.V0924</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
9310.5.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service October 1, 2014- December 31, 2014 and ;</p> <p>2) Were originally processed prior to the installation of the revised October 2014 ASC DRUG File.</p>		X						
9310.6	<p>If released by CMS, Medicare contractors shall download and install the revised January 2015 ASC DRUG file.</p> <p>FILENAME:</p> <p>MU00.@BF12390.ASC.CY15.DRUG.JANC.V0924</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
9310.6.1	<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						
9310.7	<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.V0924</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC

9310.7.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service April 1, 2015- June 30, 2015 and ;  2) Were originally processed prior to the installation of the revised April 2015 ASC DRUG File.	X							
9310.8	If released by CMS, Medicare contractors shall download and install the revised July 2015 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY15.DRUG.JULB.V0924  NOTE: Date of retrieval will be provided in a separate email communication from CMS.	X							VDC
9310.8.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service July 1, 2015- September 30, 2015 and ;  2) Were originally processed prior to the installation of the revised July 2015 ASC DRUG File.	X							
9310.9	Medicare contractors shall download and install the October 2015 ASCFS file.  FILENAME:  MU00.@BF12390.ASC.CY15.FS.OCTA.V0903  NOTE: Date of retrieval will be provided in a separate email communication from CMS.  This is a changes only file.	X							VDC
9310.10	Contractors shall make October 2015 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	C E D

		A	B	H H H	M A C	I
9310.11	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> 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:
2	Attachment A: POLICY SECTION TABLES
1	Attachment A: POLICY SECTION TABLES
4	Attachment A: POLICY SECTION TABLES
3	Attachment A: POLICY SECTION TABLES

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

#### V. CONTACTS

**Pre-Implementation Contact(s):** Mark Baldwin, 410-786-8139 or [mark.baldwin@cms.hhs.gov](mailto:mark.baldwin@cms.hhs.gov) (A/B MAC Claims Processing Issues), Yvette Cousar, 410-786-2160 or [yvette.cousar@cms.hhs.gov](mailto:yvette.cousar@cms.hhs.gov) (A/B MAC Claims Processing Issues), Chuck Braver, 410-786-6719 or [chuck.braver@cms.hhs.gov](mailto: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):

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**ATTACHMENTS: 1**

## Policy Section Tables

Table 1 – Drugs and Biologicals with OPSS Pass-Through Status Effective October 1, 2015

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9456	Inj, isavuconazonium sulfate	Injection, isavuconazonium sulfate, 1 mg	K2
C9457	Lumason contrast agent	Injection, sulfur hexafluoride lipid microsphere, per ml	K2

Table 2 – New HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Biosimilar Biological Products effective October 1, 2015

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
Q9979	Injection, alemtuzumab	Injection, alemtuzumab, 1 mg	K2

Table 3 – Drug and Biological with Revised Payment Indicator and Effective Dates

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Effective Date
90620	Menb rp w/omv vaccine im	Meningococcal recombinant protein and outer membrane vesicle vaccine, serogroup B, 2 dose schedule, for intramuscular use	K2	1/23/2015
90621	Menb rlp vaccine im	Meningococcal recombinant lipoprotein vaccine, serogroup B, 3 dose schedule, for intramuscular use	K2	10/29/2014
Q5101	Inj filgrastim g-csf biosim	Injection, Filgrastim (G-CSF), Biosimilar, 1 microgram	K2	09/03/2015