

<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 10858</b>	<b>Date: June 25, 2021</b>
	<b>Change Request 12341</b>

**SUBJECT: July 2021 Update of the Ambulatory Surgical Center [ASC] Payment System**

**I. SUMMARY OF CHANGES:** This recurring update notification provides changes to and billing instructions for various payment policies implemented in the July 2021 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

**EFFECTIVE DATE: July 1, 2021**

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

**IMPLEMENTATION DATE: July 6, 2021**

*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: 10858	Date: June 25, 2021	Change Request: 12341
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**SUBJECT: July 2021 Update of the Ambulatory Surgical Center [ASC] Payment System**

**EFFECTIVE DATE: July 1, 2021**

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

**IMPLEMENTATION DATE: July 6, 2021**

## I. GENERAL INFORMATION

**A. Background:** This recurring update notification provides changes to and billing instructions for various payment policies implemented in the July 2021 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Included in this transmittal are Calendar Year (CY) 2021 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created Current Procedural Terminology (CPT) and Level II HCPCS codes. A July 2021 Ambulatory Surgical Center Fee Schedule (ASCFS) File, a July 2021 Ambulatory Surgical Center Payment Indicator (ASC PI) File, and a July 2021 Ambulatory Surgical Center Drug File will be issued. A July 2021 ASC Code Pair file is not being issued in this transmittal.

### B. Policy: 1. New CPT Category III Codes Effective July 1, 2021

The American Medical Association (AMA) releases CPT Category III codes twice per year: in January, for implementation beginning the following July, and in July, for implementation beginning the following January.

For the July 2021 update, CMS is implementing eight (8) CPT Category III codes that the AMA released in January 2021 for implementation effective July 1, 2021. These codes, along with their long and short descriptors, and ASC payment indicators are listed in table 1. (see Attachment A: Policy Section Tables).

### 2. New Device Code

Section 1833(t)(6)(B) of the Social Security Act requires that, under the Outpatient Prospective Payment System (OPPS), categories of devices be eligible for transitional pass-through payments for at least two (2), but not more than three (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 existing or previously existing categories of devices. This policy was implemented in the 2008 revised ASC payment system. Therefore, additional payments may be made to the ASC for covered ancillary services, including certain implantable devices with pass-through status under the OPPS.

We are establishing one new OPPS device pass-through code effective July 1, 2021. Table 2, describes the code, descriptors, and ASC PI. (see Attachment A: Policy Section Tables).

i. We have determined that the costs associated with HCPCS code C1761 (Catheter, transluminal intravascular lithotripsy, coronary) are not already reflected in OPPS APC 5193. Therefore, we are not applying a device offset to C1761. The device(s) in the category described by HCPCS code C1761 should always be billed with one of the following CPT codes:

- CPT code 92928 (Percutaneous transcatheter placement of intracoronary stent(s), with coronary angioplasty when performed; single major coronary artery or branch), which is assigned to OPPS APC 5193 for CY 2021;
- CPT code C9600 (Percutaneous transcatheter placement of drug eluting intracoronary stent(s), with coronary angioplasty when performed; single major coronary artery or branch), which is assigned to OPPS APC 5193 for CY 2021

### **3. ASC Drugs and Biologicals**

#### **a. New HCPCS Codes for Certain Drugs and Biologicals Receiving Separate ASC Payment Effective July 1, 2021**

Eight (8) new HCPCS codes have been created for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available starting on July 1, 2021. These drugs and biologicals will receive OPPS drug pass-through status starting July 1, 2021. The HCPCS code, descriptors, ASC payment indicator, and the effective date is listed in Table 3 (see Attachment A: Policy Section Tables).

#### **b. Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals as of July 1, 2021**

Three (3) new drug, biological, and radiopharmaceutical HCPCS codes will be established and separately payable in the ASC setting effective July 1, 2021. Two of these codes had former codes describing these drugs and biologicals. The former codes expire June 30, 2021. The new and old HCPCS codes, as well as the descriptors and ASC PIs are listed in Table 4. (see Attachment A: Policy Section Tables).

#### **c. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)**

For CY 2021, 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 2021, a single payment of ASP + 6 percent continues to be made for the Outpatient Prospective Payment System (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, 2021, can be found in the July 2021 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](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html)

#### **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 website 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.

#### **4. Skin Substitutes**

The payment for skin substitute products that do not qualify for hospital OPPS pass-through status are packaged into the OPPS payment for the associated skin substitute application procedure. This policy is also implemented in the ASC payment system. The skin substitute products are divided into two groups: 1) high cost skin substitute products and 2) low cost skin substitute products for packaging purposes. High cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by CPT codes 15271-15278. Low cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by HCPCS code C5271-C5278. All OPPS pass-through skin substitute products (ASC PI=K2) should be billed in combination with one of the skin application procedures described by CPT code 15271-15278. New skin substitute HCPCS codes are assigned into the low-cost skin substitute group unless CMS has OPPS pricing data that demonstrates that the cost of the product is above either the mean unit cost of \$48 or per day cost of \$949 for CY 2021.

There is one (1) skin substitute HCPCS code that will be reassigned from the low cost skin substitute group to the high cost skin substitute group as of July 1, 2021. The code is listed in Table 5. (see Attachment A: Policy Section Tables).

Note that ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

#### **9. New Technology HCPCS Code C9778**

CMS is establishing HCPCS code C9778, effective July 1, 2021, to describe the technology associated with vaginal colpopexy by sacrospinous ligament fixation. Table 6, lists the descriptors, and payment indicator. (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.

## 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		
12341.1	<p>Contractors shall download and install the July 2021 ASC Fee Schedule (FS) from the CMS mainframe.</p> <p>FILENAME: MU00.@BF12390.ASC.CY21.FS.JULA.V0601</p> <p>NOTE: The July 2021 ASCFS is a partial update file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>		X							VDC	
12341.2	<p>Medicare contractors shall download and install the July 2021 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY21.DRUG.JULA.V0611</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></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		
12341.3	<p>Medicare contractors shall download and install the July 2021 ASC Payment Indicator (PI) file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY21.PI.JULA.V0604</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>		X							VDC	
12341.4	Contractors and the Common Working File (CWF) shall add Type of Service (TOS) F, as appropriate, for HCPCS included in attachment A, tables 1-4 and 6, effective for services July 1, 2021 and later payable in the ASC setting.		X							X	
12341.5	Contractors and CWF shall end date, as appropriate, the HCPCS codes in table 4 in their systems, effective June 30, 2021.		X							X	
12341.6	CWF, as appropriate, shall remove the TOS F records for the HCPCS codes in table 4 in their systems, effective June 30, 2021.									X	
12341.7	<p>Medicare contractors shall download and install the revised April 2021 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY21.DRUG.APRB.V0611</p>		X							VDC	

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
	<p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>									
12341.7.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service April 1, 2021- June 30, 2021 and ;</p> <p>2) Were originally processed prior to the installation of the revised April 2021 ASC DRUG File.</p>		X							
12341.8	<p>Medicare contractors shall download and install the revised January 2021 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY21.DRUG.JANC.V0611</p> <p>NOTE: The revised ASC Drug file is a full replacement file.</p>		X						VDC	

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
	<b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>									
12341.8.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service January 1, 2021- March 31, 2021 and ;</p> <p>2) Were originally processed prior to the installation of the revised January 2021 ASC DRUG File.</p>		X							
12341.9	<p>Medicare contractors shall download and install the revised October 2020 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY20.DRUG.OCTD.V0611</p> <p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>		X							VDC
12341.9.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:		X							



Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
	<p>1) Have dates of service October 1, 2020- December 31, 2020 and ;</p> <p>2) Were originally processed prior to the installation of the revised October 2020 ASC DRUG File.</p>									
12341.10	<p>Medicare contractors shall download and install the revised July 2020 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY20.DRUG.JULD.V0611</p> <p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p><b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b></p>		X						VDC	
12341.10.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service July 1, 2020- September 30, 2020 and ;</p> <p>2) Were originally processed prior to the installation of the revised July 2020 ASC DRUG File.</p>		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	
12341.11	Contractors shall make the July 2021 ASCFS fee data for their ASC payment localities available on their websites.		X							
12341.12	Contractors shall notify CMS of successful receipt via e-mail to <a href="mailto:price_file_receipt@cms.hhs.gov">price_file_receipt@cms.hhs.gov</a> stating the name of the file received, (e.g., CLAB, ASP, etc.) and the entity for which it was received (i.e., include states, carrier numbers, quarter, and if Part A, Part B, or both).		X							VDC

### 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		
12341.13	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.*

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
1-6	Attachment A: Policy Section Tables

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

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Chuck Braver, [chuck.braver@cms.hhs.gov](mailto:chuck.braver@cms.hhs.gov) (ASC Payment Policy) , Yvette Cousar, [yvette.cousar@cms.hhs.gov](mailto:yvette.cousar@cms.hhs.gov) (B 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. – CPT Category III Codes Effective July 1, 2021**

CPT Code	Long Descriptor	Short Descriptor	ASC PI
0644T	Transcatheter removal or debulking of intracardiac mass (eg, vegetations, thrombus) via suction (eg, vacuum, aspiration) device, percutaneous approach, with intraoperative reinfusion of aspirated blood, including imaging guidance, when performed	Tcat rmvl/dblk icar mas perq	J8
0647T	Insertion of gastrostomy tube, percutaneous, with magnetic gastropexy, under ultrasound guidance, image documentation and report	Insj gtube perq mag gastrpxy	J8
0648T	Quantitative magnetic resonance for analysis of tissue composition (eg, fat, iron, water content), including multiparametric data acquisition, data preparation and transmission, interpretation and report, obtained without diagnostic MRI examination of the same anatomy (eg, organ, gland, tissue, target structure) during the same session	Quan mr alys tiss w/o mri	Z2
0651T	Magnetically controlled capsule endoscopy, esophagus through stomach, including intraprocedural positioning of capsule, with interpretation and report	Mag ctrld capsule endoscopy	J8
0652T	Esophagogastroduodenoscopy, flexible, transnasal; diagnostic, including collection of specimen(s) by brushing or washing, when performed (separate procedure)	EGD flx transnasal dx br/wa	J8
0653T	Esophagogastroduodenoscopy, flexible, transnasal; with biopsy, single or multiple	EGD flx transnasal bx 1/ml	J8
0654T	Esophagogastroduodenoscopy, flexible, transnasal; with insertion of intraluminal tube or catheter	EGD flx transnasal tube/cath	J8

<b>CPT Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
0655T	Transperineal focal laser ablation of malignant prostate tissue, including transrectal imaging guidance, with MR-fused images or other enhanced ultrasound imaging	Tprnl focal abltj mal prst8	G2

**Table 2. – New Device Code Effective July 1, 2021**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Long Descriptor</b>	<b>ASC PI</b>
C1761	Cath, trans intra litho/coro	Catheter, transluminal intravascular lithotripsy, coronary	J7

**Table 3. — New HCPCS Codes for Certain Drugs and Biologicals Receiving ASC Payment Effective July 1, 2021**

<b>CY 2021 HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
C9075	Injection, casimersen, 10 mg	Injection, casimersen, 10 mg	K2
C9077	Injection, cabotegravir and rilpivirine, 2mg/3mg	Inj cabotegravir/rilpivirine	K2
C9078	Injection, trilaciclib, 1mg	Inj, trilaciclib, 1 mg	K2
C9079	Injection, evinacumab-dgnb, 5mg	Inj, evinacumab-dgnb, 5 mg	K2
C9080	Injection, melphalan flufenamide hydrochloride, 1 mg	Inj, melphalan flufen, 1 mg	K2
J9348	Injection, naxitamab-gqgk, 1mg	Inj. naxitamab-gqgk, 1 mg	K2
J9353	Injection, margetuximab-cmkb, 5 mg	Inj. margetuximab-cmkb, 5 mg	K2
Q5123	Injection, rituximab-arrx, biosimilar (riabni), 10 mg	Inj. riabni, 10 mg	K2

**Table 4. — Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals as of July 1, 2021**

<b>New HCPCS Code</b>	<b>Old HCPCS Code</b>	<b>Long Descriptor</b>	<b>Short Descriptor</b>	<b>ASC PI</b>
J0224	C9074	Injection, lumasiran, 0.5 mg	Injection, lumasiran	K2
J1951	N/A	Injection, leuprolide acetate for depot suspension (fensolvi), 0.25 mg	Inj fensolvi 0.25 mg	K2
J7168	C9132	Prothrombin complex concentrate (human), kcentra, per i.u. of factor ix activity	Prothrombin complex kcentra	K2

\*NOTE: Old HCPCS Codes, if applicable, are deleted June 30, 2021.

**Table 5. — Skin Substitute Products Reassigned to the High Cost Skin Substitute Group as of July 1, 2021**

<b>CY 2021 HCPCS Code</b>	<b>CY 2021 Short Descriptor</b>	<b>ASC PI</b>	<b>April 2021 Low/High Cost Skin Substitute Group</b>	<b>July 2021 Low/High Cost Skin Substitute Group</b>
Q4201	Matrion 1 sq cm	N1	Low Cost Group	High Cost Group

**NOTE:** ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

**Table 6. — New Technology HCPCS Code C9778 Effective July 1, 2021**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Long Descriptor</b>	<b>ASC PI</b>
C9778	Colpopexy, min/inv, ex-perit	Colpopexy, vaginal; minimally invasive extra-peritoneal approach (sacrospinous)	G2