

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11610	Date: September 23, 2022
	Change Request 12915

SUBJECT: October 2022 Update of the Ambulatory Surgical Center (ASC) Payment System

I. SUMMARY OF CHANGES: The purpose of this recurring update notification Change Request (CR) is to provide changes to and billing instructions for various payment policies implemented in the October 2022 ASC payment system update.

EFFECTIVE DATE: October 1, 2022

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

IMPLEMENTATION DATE: October 3, 2022

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: 11610	Date: September 23, 2022	Change Request: 12915
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SUBJECT: October 2022 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: October 1, 2022

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

IMPLEMENTATION DATE: October 3, 2022

I. GENERAL INFORMATION

A. Background: This recurring update notification provides changes to and billing instructions for various payment policies implemented in the October 2022 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) 2022 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created Current Procedural Terminology (CPT) and Level II HCPCS codes. An October 2022 Ambulatory Surgical Center Fee Schedule (ASCFS) File, an October 2022 Ambulatory Surgical Center Payment Indicator (ASC PI) File, and an October 2022 Ambulatory Surgical Center Drug File will be issued with this transmittal. A revised January 2022 ASC Code Pair file will be issued this quarter. No October 2022 ASC Code Pair file is being issued this quarter.

B. Policy: 1.ASC Payment Indicator Change for Bone (Mineral) Density Studies Described by CPT Codes 0554T, 0555T, 0556T, 0557T, and 0558T

Effective October 1, 2022, we are changing the payment indicators for CPT codes 0554T through 0558T to "E5" (Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.) to indicate that the codes are non-covered because the services described by the codes do not meet Medicare's definition of bone mass measurements (BMMs). The conditions for coverage of bone mass measurements can be found in chapter 15, section 80.5 of Pub.100-02, Medicare Benefit Policy Manual (MBPM). As specified in section 80.5.3 of the MBPM, bone mass measurements means a radiologic, radioisotopic, or other procedure that meets all of the following conditions:

- A) Is performed to identify bone mass, detect bone loss, or determine bone quality.
- B) Is performed with either a bone densitometer (other than single-photon or dual-photon absorptiometry) or a bone sonometer system that has been cleared for marketing for BMM by the Food and Drug Administration (FDA) under 21 CFR part 807, or approved for marketing under 21 CFR part 814.
- C) Includes a physician's interpretation of the results.

The codes, along with their short descriptors and ASC PIs are also listed in the October 2022 ASC Addendum BB, which is posted on the CMS website.

2. New OPPS Device Pass-Through Code Effective October 1, 2022

Section 1833(t)(6)(B) of the Social Security Act requires that, under the OPPS, categories of devices be eligible for transitional pass-through payments for at least two (2), but not more than three (3) years. In addition, 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 is also implemented in the ASC payment system.

For the October 2022 update, we approved a new device for pass-through status under the OPPS. Consequently, we are establishing a new device category, specifically, HCPCS code C1834 (Pressure sensor system, includes all components (e.g., introducer, sensor), intramuscular (implantable), excludes mobile (wireless) software application), effective October 1, 2022. Table 1 includes the HCPCS code, code descriptors, and ASC PI (see Attachment A: Policy Section Tables).

a. No Device Offset Associated with HCPCS Code C1834 for CY2022

HCPCS C1834 should always be billed in the ASC setting with the Current Procedural Terminology (CPT) code 20950 (Monitoring of interstitial fluid pressure (includes insertion of device, eg, wick catheter technique, needle manometer technique) in detection of muscle compartment syndrome). Based on available information from claims data, there is no device offset percentage for CPT code 20950 for CY 2022.

3. ASC Drugs, Biologicals, and Radiopharmaceuticals

a. Newly Established HCPCS Codes for Drugs and Biologicals Effective October 1, 2022

Ten (10) new drug and biological HCPCS codes have been established effective October 1, 2022. The old HCPCS codes are deleted effective September 30, 2022. These HCPCS codes are listed in Table 2. (see Attachment A: Policy Section Tables).

b. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)

For CY 2022, 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 2022, a single payment of ASP + 6 percent continues to be made for the 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 are based on ASPs that are updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective July 1, 2022, can be found in the July 2022 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

c. 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>

ASC facilities 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 for packaging purposes: 1) high cost skin substitute products and 2) low cost skin substitute products. 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 either CPT code 15271-15278 or HCPCS codes C5271-C5278.

a. New Skin Substitute Products as of October 1, 2022

There are five (5) new skin substitute HCPCS codes that are newly added to the ASC payment system as of October 1, 2022. These codes are listed in Table 3. ASCs are reminded to not separately bill for packaged skin substitutes (ASC PI=N1), since packaged codes are not reportable under the ASC payment system. (see Attachment A: Policy Section Tables).

5. January 2022 ASC Code Pair File

CMS has identified an error with the January 2022 ASC code pair file resulting in the inappropriate removal of a device offset amount for allowable code pairs where the device offset percentage should be 0%. The file identified the following code pairs below along with an offset value; however, no offset should be taken when these allowed code pairs are performed.

- HCPCS C1761- CPT 92928
- HCPCS C1761- HCPCS C9600

We are reissuing a corrected January 2022 code pair file with these code pairs removed. This correction is retroactively effective to January 1, 2022

ASC facilities that believe they may have received an incorrect payment for these services, may request contractor adjustment of the previously processed claims.

6. 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		H H H	D M E M A C	Shared- System Maintainers				Other	
		A	B			F I S S	M C S	V M S	C W F		
12915.1	<p>Contractors shall download the October 2022 ASC Fee Schedule (FS) from the CMS mainframe.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.FS.OCTA.V0902</p> <p>NOTE: The October 2022 ASCFS is a partial update file.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC	
12915.2	<p>Medicare contractors shall download and install the October 2022 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.OCTA.V0916</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	
	NOTE: Date of retrieval will be provided in a separate email communication from CMS.									
12915.3	<p>Medicare contractors shall download and install the October 2022 ASC PI file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.PI.OCTA.V0909</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC	
12915.4	<p>Medicare contractors shall download and install the corrected January 2022 ASC Code Pair file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.CP.JANB.V0909</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC	
12915.4.1	Medicare contractors shall adjust appropriate claims brought to their attention.		X							
12915.5	Contractors and Common Working File (CWF) shall add Type of Service (TOS) F, as appropriate, for HCPCS included in attachment A, tables 1-2 effective for services October 1, 2022 and later, payable in the ASC setting.		X						X	
12915.6	Contractors and CWF shall end date, as appropriate, old HCPCS codes included in attachment A, table 2, in their systems, effective September 30, 2022.		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	
12915.9	<p>Medicare contractors shall download and install the revised April 2022 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.APRC.V0916</p> <p>NOTE: The revised ASC Drug file is a full replacement file.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
12915.9.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service April 1, 2022 - June 30, 2022 and;</p> <p>2) Were originally processed prior to the installation of the revised April 2022 ASC DRUG File.</p>		X						
12915.10	<p>Medicare contractors shall download and install the revised January 2022 ASC DRUG file, if released by CMS.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.JAND.V0916</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	
	NOTE: Date of retrieval will be provided in a separate email communication from CMS.									
12915.10.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service January 1, 2022 - March 31, 2022 and; 2) Were originally processed prior to the installation of the revised January 2022 ASC DRUG File.		X							
12915.11	Medicare contractors shall download and install the revised October 2021 ASC DRUG file, if released by CMS. FILENAME: MU00.@BF12390.ASC.CY21.DRUG.OCTE.V0916 NOTE: The revised ASC Drug file is a full replacement file. NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X						VDC	
12915.11.1	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, 2021 - December 31, 2021 and;</p> <p>2) Were originally processed prior to the installation of the revised October 2021 ASC DRUG File.</p>									
12915.12	Contractors shall make October 2022 ASCFS fee data for their ASC payment localities available on their websites.		X							
12915.13	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 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		
12915.14	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN		X			

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H	M A C	
	Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.					

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:
1-3,6-8	Attachment A - Tables for the Policy Section

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

V. CONTACTS

Pre-Implementation Contact(s): Chuck Braver, chuck.braver@cms.hhs.gov (ASC Payment Policy) , Yvette Cousar, 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. – New OPPS Device Pass-Through Code Effective October 1, 2022

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C1834	Pressure sensor system, IM	Pressure sensor system, includes all components (e.g., introducer, sensor), intramuscular (implantable), excludes mobile (wireless) software application	J7

Table 2. – Newly Established HCPCS Codes for Drugs and Biologicals Effective October 1, 2022

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9142	N/A	Inj, alymsys, 10 mg	Injection, bevacizumab-maly, biosimilar, (alymsys), 10 mg	K2
C9101	N/A	Inj, oliceridine 0.1 mg	Injection, oliceridine, 0.1 mg	K2
A9602	N/A	Fluorodopa f-18 diag per mci	Fluorodopa f-18, diagnostic, per millicurie	K2
A9800	N/A	Gallium locametz 1 millicurie	Gallium ga-68 gozetotide, diagnostic, (locametz), 1 millicurie	K2
J9298	N/A	Inj nivolumab and relatlimab 3mg/1mg	Injection, nivolumab and relatlimab-rmbw, 3 mg/1 mg	K2
J1302	C9094	Inj, sutimlimab-jome, 10 mg	Injection, sutimlimab-jome, 10 mg	K2
J2777	C9097	Inj, faricimab-svoa, 0.1mg	Injection, faricimab-svoa, 0.1 mg	K2
J9274	C9095	Inj, tebentafusp-tebn, 1 mcg	Injection, tebentafusp-tebn, 1 microgram	K2
J1932	N/A	Inj, lanreotide, (cipl) 1mg	Injection, lanreotide, (cipl), 1 mg	K2
Q5125	C9096	Inj, releuko 1 mcg	Injection, filgrastim-ayow, biosimilar, (releuko), 1 microgram	K2

Table 3. — New Skin Substitute Products Low Cost Group/High Cost Group Assignment October 1, 2022

CY 2022 HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
A2014	Omeza collag per 100 mg	N1	N/A
A2015	Phoenix wnd mtrx, per sq cm	N1	Low
A2016	Permeaderm b, per sq cm	N1	Low
A2017	Permeaderm glove, each	N1	Low
A2018	Permeaderm c, per sq cm	N1	Low

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