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October 2018 Update of the Ambulatory Surgical Center (ASC) Payment System

MLN Matters Number: MM10932 | Related Change Request (CR) Number: 10932
Related CR Release Date: August 31, 2018 | Effective Date: October 1, 2018
Related CR Transmittal Number: R4125CP | Implementation Date: October 1, 2018

PROVIDER TYPE AFFECTED

This MLN Matters® Article is intended for Ambulatory Surgical Centers (ASCs) billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

This Change Request (CR) 10932 informs MACs about changes to the ASC payment center and billing instructions for various payment policies implemented in the October 2018 ASC payment system update. The CR also includes Healthcare Common Procedure Coding System (HCPCS) updates. Make sure your billing staffs are aware of these changes.

BACKGROUND

CR10932 describes changes to and billing instructions for various payment policies implemented in the October 2018 ASC payment system update. As appropriate, this notification also includes HCPCS updates. Included in the CR are Calendar Year (CY) 2018 payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG) files. CR10932 also includes an update file for the ASC Fee Schedule (ASCFS). No ASC Code Pair file is issued with this CR10932.

The key changes are as follows:

1. New Separately Payable Procedure Code Effective October 1, 2018

Effective October 1, 2018, HCPCS code C9750 has been created as described in Table 1. This procedure was previously described by Category III CPT code 0302T which was deleted December 31, 2017.

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Table 1 — New Separately Payable Procedure Code Effective October 1, 2018

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9750	Ins/rem-replace compl iims	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation and peri-operative interrogation and programming; complete system (includes device and electrode)	G2

2. Drugs and Biologicals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2018
For CY 2018, payment for non-pass-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 2018, 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 October 1, 2018, are in the October 2018 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. HCPCS Codes and Dosage Descriptors for Certain Drugs and Biologicals Effective October 1, 2018

Two (2) new HCPCS codes have been created for reporting drugs and biologicals in the ASC payment system effective October 1, 2018, where there have not previously been specific codes available. These new codes are listed in Table 2.

Table 2 — HCPCS Codes and Dosage Descriptors for Certain Drugs and Biologicals Effective October

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9033	Inj, akynzeo	Injection, fosnetupitant 235 mg and palonosetron 0.25 mg	K2
C9034	Injection, dexamethasone 9%	Injection, dexamethasone 9%, intraocular, 1 mcg	K2

c. HCPCS Code Payment Indicator Changes to Separately Payable Status Effective October 1, 2018

Four (4) HCPCS codes will have their ASC PI change from ASC PI=N1 (Packaged service/item; no separate 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 1, 2018. The HCPCS codes, their July 2018 ASC PI, and there new ASC PI effective October 1, 2018 are listed in Table 3.

Table 3 – HCPCS Code Payment Indicator Changes to Separately Payable Status Effective October 1, 2018

HCPCS Code	Short Descriptor	ASC PI Effective July 1, 2018	ASC PI Effective October 1, 2018
A9586	Florbetapir f18	N1	K2
C9447	Inj, phenylephrine ketorolac	N1	K2
Q4172	Puraply or puraply am	N1	K2
Q9950	Inj sulf hexa lipid microsph	N1	K2

d. 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 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 MAC adjustment of the previously processed claims.

e. New Biosimilar HCPCS Code Effective July 12, 2018

HCPCS code Q5108, listed in Table 4, is a biosimilar with the trade name Fulphila that will be paid separately in the ASC payment system. The code will be included in the ASC payment system with an effective date retroactive to July 12, 2018, per CR10834 which states that HCPCS code is payable for Medicare for claims with a date of service on or after July 12, 2018. You may review an article related to CR10834 at https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM10834.pdf.

Table 4 — New Biosimilar HCPCS Code Effective July 12, 2018

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Effective Date
Q5108	Injection, fulphila	Injection, pegfilgrastim-jmdb, biosimilar, (fulphila), 0.5 mg	K2	07/12/2018

3. Reassignment of Skin Substitute Product from the Low-Cost Group to the High Cost Group

The payment for skin substitute products that do not qualify for hospital Outpatient Prospective Payment System (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. Table 5 lists the skin substitute product and its assignment as either a high cost or a low-cost skin substitute product, when applicable. ASCs should not separately bill for packaged skin substitutes (ASC PI=N1). High cost skin substitute products should only be used 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 used 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.

The skin substitute product listed in Table 5 has been reassigned from the low-cost skin substitute group to the high cost skin substitute group based on updated pricing information. Please note that this skin substitute product is packaged and should not be separately billed by ASCs.

Table 5 — Reassignment of Skin Substitute Product from the Low-Cost Group to the High Cost Group

HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
Q4181	Amnio wound, per square cm	N1	High

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. 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.

ADDITIONAL INFORMATION

The official instruction, CR10932, issued to your MAC regarding this change is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4125CP.pdf.

If you have questions, your MACs may have more information. Find their website at http://go.cms.gov/MAC-website-list.

DOCUMENT HISTORY

Date of Change	Description
September 4, 2018	Initial article released.

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