

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 4263	Date: March 22, 2019
	Change Request 11232

SUBJECT: April 2019 Update of the Ambulatory Surgical Center (ASC) Payment System

I. SUMMARY OF CHANGES: This recurring update notification describes changes to and billing instructions for various payment policies implemented in the April 2019 ASC payment system update. This recurring update notification applies to publication 100-04, chapter 14 of the Internet-Only Manual (IOM). As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

EFFECTIVE DATE: April 1, 2019

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

IMPLEMENTATION DATE: April 1, 2019

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: 4263	Date: March 22, 2019	Change Request: 11232
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SUBJECT: April 2019 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: April 1, 2019

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

IMPLEMENTATION DATE: April 1, 2019

I. GENERAL INFORMATION

A. Background: This recurring update notification describes changes to and billing instructions for various payment policies implemented in the April 2019 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Included in this notification are Calendar Year (CY) 2019 payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG) files. We are also including an April 2019 Ambulatory Surgical Center Payment Indicator (ASC PI) file. No April 2019 Ambulatory Surgical Center Fee Schedule (ASCFS) and no ASC Code Pair file is being issued in this transmittal.

B. Policy: 1. Drugs and Biologicals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2019

For CY 2019, 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 2019, a single payment of ASP + 6 percent continues to be made for 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 April 1, 2019, can be found in the April 2019 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 April 1, 2019

For CY 2019, seven new HCPCS codes have been created for reporting drugs and biologicals in the ASC payment system, where there have not previously been specific codes available. These new codes are listed in Table 1. (see Attachment A: Policy Section Tables).

c. HCPCS Code Change for Certain Drugs and Biologicals Effective April 1, 2019

One (1) code, HCPCS J3245, will be separately payable beginning April 1, 2019, and will have an ASC PI = K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate). This code was previously assigned ASC PI = Y5 (Non-Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.). This code is listed in Table 2 (see Attachment A: Policy Section Tables).

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	
	<p>April 2019 ASC DRUG file.</p> <p>FILENAME: <u>MU00.@BF12390.ASC.CY19.DRUG.APRA.V0318</u></p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>								
11232.2	<p>Medicare contractors shall download and install the April 2019 ASC PI file.</p> <p>FILENAME: <u>MU00.@BF12390.ASC.CY19.PI.APRA.V0311</u></p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
11232.3	<p>The Contractors and Common Working File (CWF) shall add Type of Service (TOS) F, as appropriate, for HCPCS included in attachment A, table 1-2, effective for services April 1, 2019 and later payable in the ASC setting.</p>		X						X
11232.4	<p>If released by CMS, Medicare contractors shall download and install the revised January 2019 ASC DRUG file.</p> <p>FILENAME: <u>MU00.@BF12390.ASC.CY19.DRUG.JANB.V0318</u></p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC
11232.4.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service January 1, 2019 - March 31, 2019; and</p> <p>2) Were originally processed prior to the installation of the revised January 2019 ASC DRUG File.</p>		X						
11232.5	<p>If released by CMS, Medicare contractors shall download and install the revised October 2018 ASC DRUG file.</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	
	<p>FILENAME: <u>MU00.@BF12390.ASC.CY18.DRUG.OCTC.V0318</u></p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>									
11232.5.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service October 1, 2018 - December 31, 2018; and</p> <p>2) Were originally processed prior to the installation of the revised October 2018 ASC DRUG File.</p>		X							
11232.6	<p>If released by CMS, Medicare contractors shall download and install the revised July 2018 ASC DRUG file.</p> <p>FILENAME: <u>MU00.@BF12390.ASC.CY18.DRUG.JULD.V0318</u></p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC	
11232.6.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service July 1, 2018 - July 31, 2018; and</p> <p>2) Were originally processed prior to the installation of the revised July 2018 ASC DRUG File.</p>		X							
11232.7	<p>If released by CMS, Medicare contractors shall download and install the revised April 2018 ASC DRUG file.</p> <p>FILENAME: <u>MU00.@BF12390.ASC.CY18.DRUG.APRB.V0318</u></p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X						VDC	
11232.7.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</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	
	1) Have dates of service April 1, 2018 - June 30, 2018; and 2) Were originally processed prior to the installation of the revised April 2018 ASC DRUG File.									
11232.8	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). Note: CLAB is the Clinical Laboratory Fee Schedule and ASP is the Average Sales Price files.		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		
11232.9	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.

X-Ref Requirement Number	Recommendations or other supporting information:
1-3	Attachment A: POLICY SECTION TABLES

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

V. CONTACTS

Pre-Implementation Contact(s): Chuck Braver, 410-786-6719 or chuck.braver@cms.hhs.gov (ASC Payment Policy) , Yvette Cousar, 410-786-2160 or yvette.cousar@cms.hhs.gov (Part B MAC Claims Processing)

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

Attachment A – Policy Section Tables

Table 1. – HCPCS Codes and Dosage Descriptors for Certain Drugs and Biologicals Effective April 1, 2019

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9040	Injection, fremanezumab-vfrm, 1mg	Injection, fremanezumab-vfrm	K2
C9041	Injection, coagulation factor Xa (recombinant), inactivated (andexxa), 10mg	Inj, coagulation factor Xa	K2
C9141	Injection, factor viii, (antihemophilic factor, recombinant), pegylated-aucl (jivi) 1 i.u.	Factor viii pegylated-aucl	K2
C9043	Injection, levoleucovorin, 1 mg	Injection, levoleucovorin	K2
C9044	Injection, cemiplimab-rwlc, 1 mg	Injection, cemiplimab-rwlc	K2
C9045	Injection, moxetumomab pasudotox-tdfk, 0.01 mg	Moxetumomab pasudotox-tdfk	K2
C9046	Cocaine hydrochloride nasal solution for topical administration, 1 mg	Cocaine hcl nasal solution	K2

Table 2. – HCPCS Code Change for Certain Drugs and Biologicals Effective April 1, 2019

HCPCS Code	Long Descriptor	Short Descriptor	Old ASC PI	New ASC PI
J3245	Injection, tildrakizumab, 1 mg	Inj., tildrakizumab, 1 mg	Y5	K2

Table 3. – Reassignment of Skin Substitute Products from the Low Cost Group to the High Cost Group Effective April 1, 2019

HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
Q4183	Surgigraft, 1 sq cm	N1	High
Q4184	Cellesta, 1 sq cm	N1	High
Q4194	Novachor 1 sq cm	N1	High
Q4203	Derma-gide, 1 sq cm	N1	High