

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2491	Date: June 25, 2012
	Change Request 7854

Transmittal 2479, dated May 25, 2012, is rescinded and replaced by Transmittal 2491, dated June 25, 2012, to correct the references to “E5” in the policy section for both the asterisks notations to table 3 for J1680 and J9001, and in the description to table 4. These references should read “Y5”. All other information remains the same.

SUBJECT: July 2012 Update of the Ambulatory Surgical Center Payment System (ASC)

I. SUMMARY OF CHANGES: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the July 2012 ASC update. This Recurring Update Notification applies to chapter 14, section 10.

EFFECTIVE DATE: July 1, 2012

IMPLEMENTATION DATE: July 2, 2012

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 Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

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

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

Attachment – Recurring Update Notification

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SUBJECT: July 2012 Update of the Ambulatory Surgical Center Payment System (ASC)

EFFECTIVE DATE: July 1, 2012

IMPLEMENTATION DATE: July 2, 2012

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the July 2012 ASC update. This Recurring Update Notification applies to chapter 14, section 10.

B. Policy:

1. New Category III CPT Codes that are Separately Payable Under the ASC Payment System Effective July 1, 2012

The American Medical Association (AMA) releases Category III Current Procedural Terminology (CPT) codes in January, for implementation beginning the following July, and in July, for implementation beginning the following January. The mid-year implementation of category III CPT codes in ASCs began with the implementation of the revised ASC payment system in January 2008.

As discussed in the CY 2006 Hospital Outpatient Prospective Payment System (OPPS) final rule with comment period (70 FR 68567), CMS modified the process for implementing the Category III codes that the AMA releases each January for implementation in July to ensure timely collection of data pertinent to the services described by the codes; to ensure patient access to the services the codes describe; and to eliminate potential redundancy between Category III CPT codes and some of the C-codes that are payable under the OPSS and were created by CMS in response to applications for new pass-through drugs, devices, and new technology services. The ASC payment system follows the same update and implementation schedule in regards to these Category III codes as the OPSS payment system effective January 1, 2008 with the implementation of the revised ASC payment system.

For the July 2012 quarterly update, we are implementing seven (7) Category III CPT codes that the AMA released in January 2012 for implementation on July 1, 2012. Five of the seven (7) Category III CPT codes are separately payable under the ASC payment system. The Category III CPT codes and payment indicators are shown in Table 1 below. The payment rates, effective July 1, 2012, will be included in the July 2012 update of the ASC Payment system Addendum AA, which will be posted on the CMS Web site and also in the July 2012 Ambulatory Surgical Center Fee Schedule (ASCFS) file.

Table 1 -- Category III CPT Codes Implemented as of July 1, 2012

CPT Code	Long Descriptor	Short Descriptor	ASC PI
0302T	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation when performed and intra-operative interrogation and programming when performed; complete system (includes device and electrode)	Icar ischm mntrng sys compl	J8
0303T	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation when performed and intra-operative interrogation and programming when performed; electrode only	Icar ischm mntrng sys eltrd	G2
0304T	Insertion or removal and replacement of intracardiac ischemia monitoring system including imaging supervision and interpretation when performed and intra-operative interrogation and programming when performed; device only	Icar ischm mntrng sys device	J8
0307T	Removal of intracardiac ischemia monitoring device	Rmvl icar ischm mntrng dvce	G2
0308T*	Insertion of ocular telescope prosthesis including removal of crystalline lens	Insj ocular telescope prosth	G2

*HCPCS code C9732 (Insertion of ocular telescope prosthesis including removal of crystalline lens) was deleted June 30, 2012, and replaced with CPT code 0308T effective July 1, 2012.

2. Instructions for Device Pass-Through Category C1840

Effective July 1, 2012, device pass-through category C1840 must be billed with CPT code 0308T (Insertion of ocular telescope prosthesis including removal of crystalline lens) to receive pass-through payment, because C9732 is deleted effective June 30, 2012 and replaced with CPT code 0308T. The ASC Code Pair File will be revised for the July 2012 update to reflect this change.

3. Billing for Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2012

Payment for separately payable drugs and biologicals based on the average sales prices (ASPs) are updated on a quarterly basis as later quarter ASP submissions become available. In cases where adjustments to payment rates are necessary based on the most recent ASP submissions, we will incorporate changes to the payment rates in the July 2012 release of the ASC DRUG file. The updated payment rates, effective July 1, 2012, will be included in the July 2012 update of the ASC Payment system Addendum BB, which will be posted on the CMS Web site.

b. New HCPCS Codes for Drugs and Biologicals Separately Payable under the ASC Payment System Effective July 1, 2012

Two drugs and biologicals have been granted ASC payment status effective July 1, 2012. These items, along with their descriptors and APC assignments, are identified in Table 2 below.

Table 2 – New Separately Payable Drugs and Biologicals Effective July 1, 2012

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
C9368*	Grafix core, per square centimeter	Grafix core	K2
C9369*	Grafix prime, per square centimeter	Grafix prime	K2

NOTE: The HCPCS codes identified with an “*” indicate that these are new codes effective July 1, 2012.

c. New HCPCS Codes Effective July 1, 2012 for Separately Payable Drugs and Biologicals

Six (6) new HCPCS codes have been created for reporting certain drugs and biologicals (other than new pass-through drugs and biologicals listed above in Table 2) in the ASC payment system effective for services furnished on or after July 1, 2012. Five of the six (6) HCPCS codes are separately payable under the ASC payment system. These codes are listed in Table 3 below and will be included in the July 2012 update of the ASC payment system Addendum BB which will be posted on the CMS web site and also in the July 2012 ASCFS file

Table 3 -- New HCPCS Codes for Certain Drugs and Biologicals Effective July 1, 2012

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI
Q2045*	Injection, human fibrinogen concentrate, 1 mg	Human fibrinogen conc inj	K2
Q2046**	Injection, aflibercept, 1 mg	Aflibercept injection	K2
Q2048***	Injection, doxorubicin hydrochloride, liposomal, doxil, 10 mg	Doxil injection	K2
Q2049	Injection, doxorubicin hydrochloride, liposomal, imported lipodox, 10 mg	Imported Lipodox inj	K2
Q2034	Influenza virus vaccine, split virus, for intramuscular use (Agriflu)	Agriflu vaccine	L1

* Level II HCPCS code J1680 (Injection, human fibrinogen concentrate, 100 mg) will be replaced with HCPCS code Q2045 effective July 1, 2012. The ASC payment indicator for HCPCS code J1680 will change to Y5, “Not payable by Medicare”, effective July 1, 2012.

**Level II HCPCS code C9291 (Injection, aflibercept, 2 mg vial) will be deleted June 30, 2012, and replaced with HCPCS code Q2046 effective July 1, 2012.

***Level II HCPCS code J9001 (Injection, doxorubicin hydrochloride, all lipid formulations, 10 mg) will be replaced with HCPCS code Q2048 effective July 1, 2012. The ASC payment indicator for HCPCS code J9001 will change to Y5, " Not payable by Medicare.", effective July 1, 2012.

d. Adjustment to the Payment Indicator for Certain HCPCS Codes Effective April 1, 2012

Effective April 1, 2012, the status indicators for several HCPCS codes listed in Table 4 below will change from ASC PI=Y5 (Not payable by Medicare) to ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.). For the remainder of CY 2012, these HCPCS codes will be separately paid and the price will be updated on a quarterly basis.

The payment rates for these HCPCS codes are listed in Table 4 below and have been included in the revised April 2012 ASC Drug file effective for services furnished on April 1, 2012 through the implementation of the July 2012 ASC quarterly update. Suppliers who have received an incorrect payment for dates of service between April 1, 2012 through June 30, 2012, may request contractor adjustment of the previously processed claims.

Table 4 -- Adjustment to ASC Payment Indicator for Certain Drugs and Biologicals Effective April 1, 2012

HCPCS Code	Long Descriptor	Short Descriptor	ASC PI Effective 4/1/12
90581	Anthrax vaccine, for subcutaneous or intramuscular use	Anthrax vaccine sc or im	K2
J2265	Injection, minocycline hydrochloride, 1 mg	Minocycline hydrochloride	K2
J8650	Nabilone, oral, 1 mg	Nabilone oral	K2
Q0174	Thiethylperazine maleate, 10 mg, oral, fda approved prescription anti-emetic, for use as a complete therapeutic substitute for an iv anti-emetic at the time of chemotherapy treatment, not to exceed a 48 hour dosage regimen	Thiethylperazine maleate10mg	K2
Q4123	Alloskin rt, per square centimeter	Alloskin	K2
Q4125	Arthroflex, per square centimeter	Arthroflex	K2
Q4128	Flexhd or allopatch hd, per square centimeter	Flexhd or allopatch hd	K2
Q4129	Unite biomatrix, per square centimeter	Unite biomatrix	K2

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. Carriers/Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, Carriers/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

Use "Should" to denote an optional requirement.

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I	C A R I E R	R H R H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
7854.1	Contractors shall download and install the July 2012 ASCFS from the CMS mainframe. FILENAME: MU00.@BF12390.ASC.CY12.FS.JUL.R.V0531 NOTE: Date of retrieval will be provided in a separate email communication from CMS NOTE: This is an update file and is not a full replacement file	X			X						All EDCs
7854.2	Medicare contractors shall download and install a revised April 2012 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY12.DRUG.APR.R.V0531 NOTE: Date of retrieval will be provided in a separate email communication from CMS	X			X						All EDCs
7854.2.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service that fall on or after April 1, 2012 through June 30, 2012 and; 2) Were originally processed prior to the installation of the revised April 2012 ASC DRUG file.	X			X						COBC
7854.3	Medicare contractors shall download and install the	X			X						All

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	Q2049, Q2034, for claims with DOS on or after July 1, 2012.										
7854.10	CWF shall assign TOS F to HCPCS 90581, J2265, J8650, Q0174, Q4123, Q4125, Q4128, and Q4129 for claims with DOS on or after April 1, 2012.										X
7854.11	Medicare contractors shall send notification of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which it was received (e.g., carrier/fiscal intermediary name and number).	X			X						
7854.12	Contractors shall make the July 2012 ASCFS fee data for their ASC payment localities available on their web sites.	X			X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7854.13	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ 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 site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be	X			X						COBC

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B M A C	D M E M A C	F I M A C	C A R I E R	R H I I S S	Shared-System Maintainers			
						F	M	V	C	
	included in your 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.									

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	None

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): ASC Payment Policy: Chuck Braver at chuck.braver@cms.hhs.gov or 410-786-6719; Carrier/ AB MAC Claims Processing Issues: Yvette Cousar at yvette.cousar@cms.hhs.gov or 410-786-2160 or Mark Baldwin at mark.baldwin@cms.hhs.gov or 410-786-8139.

Post-Implementation Contact(s):
Contact your Contracting Officer’s Representative (COR) or Contractor Manager, as applicable.

ASC Payment Policy: Chuck Braver at chuck.braver@cms.hhs.gov or 410-786-6719; Carrier/ AB MAC Claims Processing Issues: Yvette Cousar at yvette.cousar@cms.hhs.gov or 410-786-2160 or Mark Baldwin at mark.baldwin@cms.hhs.gov or 410-786-8139.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

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