CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2717	Date: May 31, 2013
	Change Request 8328

SUBJECT: July 2013 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 July 2013 ASC payment system update. This Recurring Update Notification applies to Chapter 14, section 10.

EFFECTIVE DATE: July 1, 2013 IMPLEMENTATION DATE: July 1, 2013

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	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers: No additional funding will be provided by CMS; Contractors activities are to be carried out with 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 obliged 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

Pub. 100-04	Transmittal: 2717	Date: May 31, 2013	Change Request: 8328
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SUBJECT: July 2013 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: July 1, 2013 **IMPLEMENTATION DATE:** July 1, 2013

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the July 2013 ASC payment system update. This Recurring Update Notification applies to Chapter 14, section 10.

B. Policy:

1. New HCPCS Procedure Codes

One new HCPCS procedure code listed in table 1, attachment A, is assigned for payment under the ASC payment system effective July 1, 2013.

2. New Category III CPT Codes

The AMA releases Category III CPT codes twice per year: in January, for implementation beginning the following July, and in July, for implementation beginning the following January. For the July 2013 update, CMS is implementing six Category III CPT codes that the AMA released in January 2013 for implementation on July 1, 2013. Two of the six Category III CPT codes are separately payable under the ASC payment system. The CPT code, short descriptor, long descriptor, and payment indicator for these codes are shown in Table 2, attachment A. Payment rates for these services can be found in Addendum BB of the July 2013 ASC Payment System Update that is posted on the CMS website.

3. Billing for Drugs, Biologicals, and Radiopharmaceuticals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2013

Payments for separately payable drugs and biologicals based on 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 2013 ASC DRUG FILE. The updated payment rates, effective July 1, 2013 will be included in the July 2013 update of the ASC Addendum BB, which will be posted on the CMS Web site.

b. Drugs and Biologicals with OPPS Pass-Through Status Effective July 1, 2013

Two drugs and biologicals have been granted ASC payment status effective July 1, 2013. These items, along with their short and long descriptors, and ASC payment indicator (PI) assignments, are identified in table 3, attachment A.

c. New HCPCS Codes Effective July 1, 2013 for Certain Drugs and Biologicals

Two new HCPCS codes have been created for reporting certain drugs and biologicals (other than new passthrough drugs and biological listed above in Table 3, attachment A) in the ASC payment system for July 1, 2013. These codes are listed in Table 4, attachment A and are effective for services furnished on or after July 1, 2013.

d. Revised Payment Indicator for HCPCS Codes Q4126 and Q4134 Effective July 1, 2013

Effective July 1, 2013, the ASC payment indicators for HCPCS code Q4126 (Memoderm, dermaspan, tranzgraft or integuply, per square centimeter) and HCPCS code Q4134 (Hmatrix, per square centimeter) will change from PI=Y5 (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made)) to PI=K2 (Drugs and biological paid separately when provided integral to a surgical procedure on ASC list). For the remainder of CY 2013, HCPCS code Q4126 and HCPCS code Q4134 will be separately paid and the prices for these codes will be updated on a quarterly basis. These codes are listed in Table 5, attachment A, and are effective for services furnished on or after July 1, 2013.

e. Updated Payment Rates for Certain HCPCS Codes Effective April 1, 2013 through June 30, 2013

The payment rates for two HCPCS codes were incorrect in the April 2013 ASC Drug File. The corrected payment rates are listed in table 6, attachment A, and have been installed in the revised April 2013 ASC Drug File, effective for services furnished on April 1, 2013 through June 30, 2013. Suppliers who received an incorrect payment for dates of service between April 1, 2013 and June 30, 2013 may request contractor adjustment of the previously processed claims.

f. Flublok (Influenza virus vaccine)

Flublok (Influenza virus vaccine) was approved by the FDA on January 16, 2013 and is described by HCPCS code Q2033 (Influenza Vaccine, Recombinant Himagglutinin Antigens, for Intramuscular Use (Flublok)). We are assigning the ASC payment indicator "L1" (Influenza vaccine; pneumococcal vaccine; packaged item/service; no separate payment made.) to HCPCS code Q2033 effective July 01, 2013.

g. Fluarix Quadrivalent (Influenza virus vaccine)

Fluarix Quadrivalent (Influenza virus vaccine) was approved by the FDA on December 14, 2012 and is described by CPT code 90686 (Influenza virus vaccine, quadrivalent, split virus, preservative free, when administered to individuals 3 years of age and older, for intramuscular use). For the July 2013 update, we are revising the ASC payment indicator for CPT code 90686 from "Y5" (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made) to "L1" ((Influenza vaccine; pneumococcal vaccine; packaged item/service; no separate payment made) effective January 1, 2013.

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

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility							
		A/B D F C R Shared-					Oth		
		MAC	MAC M I A H System				er		
			E		R	Η	Maintainers		

		A	В	H H H	M A C	R I E R	Ι	F I S S	M C S	V M S	C W F	
8328.1	Contractors shall download and install the July 2013 ASCFS from the CMS mainframe.		X			X						CO BC, ED
	FILENAME: MU00.@BF12390.ASC.CY13.FS.JULA.V0603											Cs
	NOTE: Date of retrieval will be provided in a separate email communication from CMS											
8328.2	Medicare contractors shall download and install the July 2013 ASC DRUG file.		X			X						CO BC, ED
	FILENAME: MU00.@BF12390.ASC.CY13.DRUG.JULA.V06 03											Cs
	NOTE: Date of retrieval will be provided in a separate email communication from CMS											
8328.3	Medicare contractors shall download and install the July 2013 ASC PI file.		X			X						CO BC, ED
	FILENAME: MU00.@BF12390.ASC.CY13.PI.JULA.V0603											Cs
	NOTE: Date of retrieval will be provided in a separate email communication from CMS.											
8328.4	Medicare contractors shall download and install a revised April 2013 ASC DRUG file.		X			X						CO BC, ED
	FILENAME: MU00.@BF12390.ASC.CY13.DRUG.APRB.V06 03											S
	NOTE: Date of retrieval will be provided in a separate email communication from CMS											
8328.4.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:		X			X						CO BC, ED
	1) Have dates of service April 1, 2013 through June 30, 2013 and ;											Cs
	2) Were originally processed prior to the installation of the revised April 2013 ASC DRUG File											
8328.5	CWF shall add TOS=F to HCPCS C9736, 0331T- 0332T, C9131, Q4122, Q2050, Q2051, Q4126 and Q4134 (listed in tables 1-5 of Attachment A) for										Х	CO BC, ED

Number	Requirement	Responsibility																																								
		A/B MAC																								MAC	MAC					MAC I		D M E		C A R	Н		Sys	red- tem aine		Oth er
		А	В	H H H	M A C		R I E R	Ι	F I S S	M C S	V M S	_																														
	claims with DOS on or after July 1, 2013.												Cs																													
8328.6	Contractors shall modify the procedure code file and TOS tables for HCPCS code C9736, 0331T- 0332T, C9131, Q4122, Q2050, Q2051, Q4126 and Q4134 (listed in tables 1-5 of Attachment A), on/after July 1, 2013		X				X						CO BC, ED Cs																													
8328.7	Contractors shall make the July 2013 ASCFS fee data for their ASC payment localities available on their web sites.		Х				X																																			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility																																	
		A/B MAC				-				-		-				-		-		/IAC		MAC		MAC				MAC				F I	C A R	R H H	Other
		A	В	H H H	M A C		R I E R	Ι																											
8328.8	MLN Article : A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and- Education/Medicare-Learning-Network- MLN/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 sites 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 included in the contractor's 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.		X				X																												

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

X-Ref Requirement Number	Recommendations or other supporting information:
8328.5	Attachment A
8328.1	Attachment A
8328.2	Attachment A
8328.3	Attachment A
8328.6	Attachment A

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

V. CONTACTS

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

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

VI. FUNDING

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

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

Section B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do 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.

Attachment:1

POLICY SECTION TABLES

Table 1 – New service	navable under tl	he ASC Payment	System effective J	ulv 1. 2013
	payable under d	ne more i ayment	by stem encented	ury 1, 2010

				ASC
	Effective	Short	Long	Payment
HCPCS	date	Descriptor	Descriptor	Indicator
C9736	7/1/2013	Lap ablate	Laparoscopy,	G2
		uteri	surgical,	
		fibroid rf	radiofrequency	
			ablation of	
			uterine	
			fibroid(s),	
			including	
			intraoperative	
			guidance and	
			monitoring,	
			when	
			performed	

Table 2 -- Category III CPT Codes Implemented as of July 1, 2013

CPT Code	Short Descriptor	Long Descriptor	ASC Payment Indicator
0331T	Heart symp image plnr	Myocardial sympathetic innervation imaging, planar qualitative and quantitative assessment	Z2
0332T	Heart symp image plnr spect	Myocardial sympathetic innervation imaging, planar qualitative and quantitative assessment; with tomographic SPECT	Z2

Table 3 – Drugs and Biologicals with OPPS Pass-Through Status Effective July 1, 2013

HCPCS Code	Short Descriptor	Long Descriptor	ASC Payment Indicator
C9131*	In ado-trastuzumab emtansine	Injection, ado-trastuzumab emtansine, 1 mg	K2
Q4122	Dermacell	Dermacell, per square centimeter	K2

Note: The HCPCS code identified with an "*" indicates that this is both newly payable in the ASC payment system as well as being a new HCPCS code effective July 1, 2013.

Table 4 – New HCPCS Codes for Certain Drugs and Biologicals Effective July 1, 2013

HCPCS Code	Short Descriptor	Long Descriptor	ASC Payment Indicator
Q2050*	Doxorubicin inj 10mg	Injection, Doxorubicin Hydrochloride, Liposomal, Not Otherwise Specified, 10 mg	K2

ſ	Q2051**	Zoldedronic acid 1mg	Injection, Zoledronic Acid, Not Otherwise Specified, 1 mg	K2
			Otherwise Specificu, Ting	

*HCPCS code J9002 (Injection, Doxorubicin Hydrochloride, Liposomal, Doxil, 10 mg) will be replaced with HCPCS code Q2050 effective July 1, 2013. The payment indicator for HCPCS code J9002 will change to Y5 (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made) effective July 1, 2013.

** HCPCS code J3487 (Injection, Zoledronic Acid (Zometa), 1 mg) and HCPCS code J3488 (Injection, Zoledronic Acid (Reclast), 1 mg) will be replaced with HCPCS code Q2051 effective July 1, 2013. The payment indicators for HCPCS codes J3487 and J3488 will change to Y5 (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made) effective July 1, 2013.

Table 5 – Drugs and Biologicals with Revised Payment Indicators Effective July 1, 2013

HCPCS Code	Long Descriptor	ASC Payment Indicator
Q4126	Memoderm, dermaspan, tranzgraft or integuply, per square centimeter	K2
Q4134	Hmatrix, per square centimeter	K2

 Table 6 – Updated Payment Rates for Certain HCPCS Codes Effective April 1, 2013 through June 30, 2013

HCPCS Code	Short Descriptor	Corrected Payment Rate	ASC Payment Indicator
C9297	Omacetaxine mepesuccinate	\$2.53	K2
C9298	Injection, ocriplasmin	\$1,046.75	K2