

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 2970</b>	<b>Date: May 23, 2014</b>
	<b>Change Request 8786</b>

**SUBJECT: July 2014 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 2014 ASC payment system update. This Recurring Update Notification applies to Chapter 14, section 10. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

**EFFECTIVE DATE: July 1, 2014**

**IMPLEMENTATION DATE: July 7, 2014**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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 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: 2970	Date: May 23, 2014	Change Request: 8786
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**SUBJECT: July 2014 Update of the Ambulatory Surgical Center (ASC) Payment System**

**EFFECTIVE DATE: July 1, 2014**

**IMPLEMENTATION DATE: July 7, 2014**

## **I. GENERAL INFORMATION**

**A. Background:** This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the July 2014 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

**B. Policy:** 1. **New Brachytherapy Source Code Effective July 1, 2014** One new brachytherapy source is assigned for payment under the ASC payment system effective July 1, 2014. The HCPCS code assigned to this source as well as its descriptor, and payment indicator under the ASC payment system are listed in Table 1, attachment A.

### **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 2014 update, CMS is implementing 27 Category III CPT codes that the AMA released in January 2014 for implementation on July 1, 2014. Four of the 27 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 the July 2014 ASC Update addenda that are posted on the CMS Web site.

### **3. Billing for Drugs, Biologicals, and Radiopharmaceuticals**

**a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2014:** 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 2014 release of the ASC Drug File. The updated payment rates, effective July 1, 2014, will be included in the July 2014 update of the ASC 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, 2014:**

Three drugs and biologicals have been granted ASC payment status effective July 1, 2014. These items, along with their descriptors and ASC payment indicator, are listed in Table 3, attachment A.

#### **c. Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2013 through December 31, 2013**

The payment rate for one HCPCS code, was incorrect in the October 2013 ASC Drug File. The corrected payment rate is listed in Table 4, attachment A. Suppliers who think they may have received an incorrect payment for dates of service October 1, 2013 through December 31, 2013, may request contractor

adjustment of the previously processed claims.

**d. Updated Payment Rates for Certain HCPCS Codes Effective January 1, 2014 through March 31, 2014**

The payment rate for one HCPCS code was incorrect in the January 2014 ASC Drug File. The corrected payment rate is listed in Table 5, attachment A. Suppliers who think they may have received an incorrect payment for dates of service January 1, 2014 through March 31, 2014, may request contractor adjustment of the previously processed claims.

**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. 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			D M E	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8786.1	Contractors shall download and install the July 2014 ASCFS from the CMS mainframe.  FILENAME:  MU00.@BF12390.ASC.CY14.FS.JULA.V0530  <b>NOTE:</b> Date of retrieval will be provided in a separate email communication from CMS.		X						COBA, EDCs	
8786.2	Medicare contractors shall download and install the July 2014 ASC DRUG file.  FILENAME: <u>MU00.</u> @BF12390.ASC.CY14.DRUG.JULA.V0620  <b>NOTE:</b> Date of retrieval will be provided in a separate email communication from CMS.		X						COBA, EDCs	
8786.3	Medicare contractors shall download and install the July 2014 ASC PI file.  FILENAME:		X						COBA, EDCs	

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	
	MU00.@BF12390.ASC.CY14.PIJULA.V0610  <b>NOTE:</b> Date of retrieval will be provided in a separate email communication from CMS.									
8786.4	Medicare contractors shall download and install a revised October 2013 ASC DRUG file.  FILENAME: MU00.@BF12390.ASC.CY13.DRUG.OCTD.V0620  <b>NOTE:</b> Date of retrieval will be provided in a separate email communication from CMS.		X						COBA, EDCs	
8786.4.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1. Have dates of service October 01, 2013-December 31, 2013 and;  2. Were originally processed prior to the installation of the revised October 2013 ASC DRUG File.		X							
8786.5	Medicare contractors shall download and install a revised January 2014 ASC DRUG file.  FILENAME: MU00.@BF12390.ASC.CY13.DRUG.JANC.V0620  <b>NOTE:</b> Date of retrieval will be provided in a separate email communication from CMS.		X						COBA, EDCs	
8786.5.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service January 01, 2014 through March 30, 2014 and;  2) Were originally processed prior to the installation of the revised January 2014 ASC DRUG File.		X							
8786.6	Contractors shall modify the procedure code file and TOS tables for C2644, 0348T-0350T, 0356T, C9022, C9134, and Q9970 (HCPCS listed in tables 1-4 of Attachment A), for claims with DOS on or after July 01, 2014.		X						COBA	

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	
8786.7	Contactors and CWF shall manually end-date C9441 from their systems effective June 30, 2014.		X						X	COBA
8786.8	CWF shall add TOS=F to HCPCS codes C2644, 0348T-0350T, 0356T, C9022, C9134, and Q9970 (HCPCS listed in tables 1-4 of Attachment A), for claims with DOS on or after July 1, 2014.								X	
8786.9	Contractors shall make the July 2014 ASCFS fee data for their ASC payment localities available on their web sites.		X							

### 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			
8786.10	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> 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				

### 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:

X-Ref Requirement Number	Recommendations or other supporting information:
2	Attachment A.
1	Attachment A.
4	Attachment A.
4.1	Attachment A.
5	Attachment A.
5.1	Attachment A.
6	Attachment A.
7	Attachment A.
8	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](mailto:yvette.cousar@cms.hhs.gov) (ASC Claims Processing), MARK BALDWIN, 410-786-8139 or [mark.baldwin@cms.hhs.gov](mailto:mark.baldwin@cms.hhs.gov) (ASC Claims Processing), CHUCK BRAVER, 410-786-6719 or [chuck.braver@cms.hhs.gov](mailto:chuck.braver@cms.hhs.gov) (ASC Policy)

**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 Brachytherapy Source Code Effective July 1, 2014**

HCPCS	CY2014 Short Descriptor	CY2014 Long Descriptor	ASC PI
C2644	Brachytx cesium-131 chloride	Brachytherapy source, cesium-131 chloride solution, per millicurie	H2

**Table 2 -- Category III CPT Codes Implemented as of July 1, 2014**

CPT Code	Short Descriptor	Long Descriptor	July 2014 ASC PI
0348T	RSA spine exam	Radiologic examination, radiostereometric analysis (RSA); spine, (includes, cervical, thoracic and lumbosacral, when performed)	Z2
0349T	RSA upper extr exam	Radiologic examination, radiostereometric analysis (RSA); upper extremity(ies), (includes shoulder, elbow and wrist, when performed)	Z2
0350T	RSA lower extr exam	Radiologic examination, radiostereometric analysis (RSA); lower extremity(ies), (includes hip, proximal femur, knee and ankle, when performed)	Z2
0356T	Insrt drug device for iop	Insertion of drug-eluting implant (including punctal dilation and implant removal when performed) into lacrimal canaliculus, each	R2

**Table 3 – New HCPCS Codes Effective July 1, 2014 for Certain Drugs and Biologicals**

HCPCS Code	CY2014 Short Descriptor	CY2014 Long Descriptor	ASC PI
C9022	Injection, elosulfase alfa	Injection, elosulfase alfa, 1mg	K2
C9134	Factor XIII A-subunit recomb	Factor XIII (antihemophilic factor, recombinant), Tretten, per 10 i.u.	K2
Q9970*	Inj Ferric Carboxymaltos 1mg	Injection, ferric carboxymaltose, 1 mg	K2

\*HCPCS code C9441 (Injection, ferric carboxymaltose, 1 mg) will be deleted and replaced with HCPCS code Q9970 effective July 1, 2014.

**Table 4– Updated Payment Rates for Certain HCPCS Codes Effective October 1, 2013 through December 31, 2013**

HCPCS Code	Short Descriptor	Corrected Payment Rate	ASC PI

J2788	Rho d immune globulin 50 mcg	25.15	K2
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**Table 5 – Updated Payment Rates for Certain HCPCS Codes Effective January 1, 2014 through March 31, 2014**

<b>HCPCS Code</b>	<b>Short Descriptor</b>	<b>Corrected Payment Rate</b>	<b>ASC PI</b>
J0775	Collagenase, clost hist inj	38.49	K2