

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 488</b>	<b>Date: May 1, 2009</b>
	<b>Change Request 6358</b>

***NOTE: Transmittal 488, dated May 1, 2009, is being re-issued to modify the first paragraph under the background section of the One Time Notification. The Transmittal Number, Date Issued and all other information remain the same.***

**SUBJECT: Processing and Payment of Physician and Non-Physician Practitioner Services Reassigned to ASCs**

**I. SUMMARY OF CHANGES:** ASCs, that have entered into reassignment agreements with physician or non-physician practitioners, and whose reassignment has been approved by CMS through the Form CMS-855R, may bill for and receive payment for reassigned physician and non-physician practitioner professional services.

**New / Revised Material**

**Effective Date: January 1, 2008**

**Implementation Date: October 5, 2009**

*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:**

**SECTION A: For Fiscal Intermediaries and Carriers:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within 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 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:**

##### **One-Time Notification**

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

# Attachment – One Time Notification

<b>Pub. 100-20</b>	<b>Transmittal: 488</b>	<b>Date: May 1, 2009</b>	<b>Change Request: 6358</b>
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**SUBJECT: Processing and Payment of Physician and Non-Physician Practitioner Services Reassigned to ASCs**

**Effective Date: January 1, 2008**

**Implementation Date: October 5, 2009**

## I. GENERAL INFORMATION

### A. Background:

Section 1842(b)(6) of the Social Security Act (the Act) states in part, that no payment for a service may be made to anyone other than the physician or other person who provided the service, unless one of the exceptions to the prohibition on reassignment is met.

When applicable, physicians and non-physician practitioners meeting the reassignment exceptions in 42 CFR 424.80, and the IOM Pub. 100-04, Chapter 1, sections 30.2.6, and 30.2.7, may reassign their right to bill and receive payment to an ASC.

### B. Policy:

It has come to our attention that recent system updates made to the ASC payment system through Transmittals R1245CP (CR5572) and R77BP (CR5680), do not include necessary system provisions to correctly process claims for Dates of Services on or after January 1, 2008 under the ASC payment system for physician and non-physician practitioners who reassign benefits to ASCs.

Contractors shall modify their systems to correctly accept and process these reassignment claims.

The IOM Pub.100-08, Chapter 10 will be updated via a separate directive to furnish provider enrollment-related instructions regarding the reassignment of benefits to ASCs.

Payment to ASCs for physician or non-physician practitioner services requires valid reassignment application(s) on file with their contractors.

## II. BUSINESS REQUIREMENTS TABLE

*Use "Shall" to denote a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)						
		A	D	F	C	R	Shared-System Maintainers	OTHER
		/	M	I	A	H		

		B M A C	E M A C		R R I E R	H I	F I S S	M C S	V M S	C W F	
6358.1	Contractors shall modify their enrollment processes to correctly accept and process reassignment claims from ASCs.  <b>NOTE:</b> MCS system changes for option codes 8 and 9 will allow option code 8 to process the ASC facility services as TOS F while Option code 9 will process reassigned services based on the line item performing provider information.	X			X			X			
6358.2	Contractors shall continue to pay ASC claims from those ASCs that do not accept reassignments.  <b>NOTE:</b> These ASCs will continue to remain in the MCS system as Option Code 3.	X			X						
6358.3	Contractors shall reprocess valid reassignment claims brought to their attention for dates of service on or after January 1, 2008 that were not previously paid to either the ASC or the physician/non-physician practitioner.	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	C A R R I E R	R H I	Shared-System Maintainers			
						F I S S	M C S	V M S	C W F	
6358.4	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/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 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 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.	X			X					

#### IV. SUPPORTING INFORMATION

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

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
6358.1	When an ASC is billing for its own services and for reassigned services, contractors shall use Option Code 8 for ASC facility service bills and Option Code 9 shall be used for physician and non-physician practitioners services that are being reassigned to an ASC. For those ASCs that do not have reassignment paperwork on file, they will remain Option Code 3.
6358.1	Contractors using option codes 1 and 4 and specialties other than 49 (e.g., 70) to set up ASCs for reassignment billing will need to change the specialty in PECOS to 49 and then change the option codes to 8 and 9.

**Section B: For all other recommendations and supporting information, use this space:**

#### V. CONTACTS

**Pre-Implementation Contact(s):** ASC Payment Policy: Chuck Braver at [chuck.braver@cms.hhs.gov](mailto:chuck.braver@cms.hhs.gov) or 410-786-6719;. Carrier/ AB MAC Claims Processing Issues: Yvette Cousar at [yvette.cousar@cms.hhs.gov](mailto:yvette.cousar@cms.hhs.gov) or 410-786-2160/Cynthia Thomas at [cynthia.thomas2@cms.hhs.gov](mailto:cynthia.thomas2@cms.hhs.gov) or (410) 786-8169

**Post-Implementation Contact(s):** Regional Office or MAC PO

#### VI. FUNDING

**Section A: For Carriers:**

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

**Section B: For Medicare Administrative Contractors (MACs), include the following statement:**

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.