

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 690

Department of Health &  
Human Services (DHHS)

Center for Medicare &  
Medicaid Services (CMS)

Date: SEPTEMBER 30, 2005  
CHANGE REQUEST 4075

**SUBJECT: Fiscal Year (FY) 2006 Payment for Services Furnished in Ambulatory Surgical Centers (ASCs)**

**I. SUMMARY OF CHANGES:** This CR provides notification that current ASC payment rates and wage index values remain in effect for FY 2006.

### NEW/REVISED MATERIAL

**EFFECTIVE DATE: October 1, 2005**

**IMPLEMENTATION DATE: October 3, 2005**

*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/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

### III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

### 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: Fiscal Year (FY) 2006 Payment for Services Furnished in Ambulatory Surgical Centers (ASCs)**

## I. GENERAL INFORMATION

**A. Background:** Section 626(a) of the MMA mandates a 0 percent increase for inflation in fiscal year 2005, the last quarter of calendar year 2005, and each calendar year from 2006 through 2009. Until CMS has had an opportunity to determine the impact of changes in the fiscal year 2006 inpatient hospital wage index on payment amounts for individual ASCs, implementation of new wage index values for fiscal year 2006 is deferred. Therefore, for services furnished on or after October 1, 2005, Carriers shall continue to use the FY 2004 wage index to calculate payments to ASCs (Change Request #2871 dated 8/8/2003) and the payment rates that were effective for services furnished on or after April 1, 2004 (Change Request #3082 dated 2/6/2004) until further notice.

Carriers use the inpatient hospital wage index to adjust the labor-related portion of national ASC payment rates for geographic wage differences. The labor-related portion of ASC payment rates is defined currently as 34.45 percent of the payment rate. Carriers shall continue to using the FY 2004 hospital inpatient wage index to calculate payments for ASC services.

**B. Policy:** Transmittal AB-03-116 (CR 2871), issued August 8, 2003, updated ASC facility payment rates for inflation and updated the wage index values used to adjust ASC payments for geographic wage differences effective for services furnished on or after October 1, 2003.

Transmittal 51 (CR 3082), issued February 4, 2004, notified contractors about a change in ASC payment rates effective April 1, 2004, resulting from enactment of section 626(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The wage index rates were unchanged.

The ASC payment rates for fiscal year 2006 will remain as follows:

Group 1- \$333	Group 5 - \$717
Group 2- \$446	Group 6 - \$826 (\$676 + \$150 for intraocular lenses (IOLs))
Group 3- \$510	Group 7 - \$995
Group 4- \$630	Group 8 - \$973 (\$823 + \$150 for IOLs)
	Group 9 - \$1339

**NOTE:** The wage index rates remain unchanged (refer to Transmittal AB-03-116).

## II. BUSINESS REQUIREMENTS

*“Shall” denotes a mandatory requirement*



Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.								

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

## V. SCHEDULE, CONTACTS, AND FUNDING

<p><b>Effective Date*:</b> October 1, 2005 <b>Implementation Date:</b> October 3, 2005</p> <p><b>Pre-Implementation Contact(s):</b> Chuck Braver (410) 786-6719 for policy issues and Yvette Cousar (410) 786-2160 for Part B claims processing issues</p> <p><b>Post-Implementation Contact(s):</b> Appropriate regional office</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.</b></p>
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