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July 2017 Update of the Ambulatory Surgical Center (ASC) Payment System

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Related Change Request (CR) Number: CR 10138

Related CR Release Date: June 9, 2017

Effective Date: July 1, 2017

Related CR Transmittal Number: R3792CP

Implementation Date: July 3, 2017

Note: This article was revised on June 9, 2017, due to the release of an updated Change Request (CR). That CR corrected an error to the ASC Payment Indicator for C9747 in Table 2 (changed from J8 to G2). All other information remains the same.

PROVIDER TYPE AFFECTED

This MLN Matters Article is intended for Ambulatory Surgical Centers (ASCs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

CR 10138 informs MACs about changes to the ASC payment center and billing instructions for various payment policies implemented in the July 2017 ASC payment system update. The CR also includes HCPCS updates. Make sure your billing staffs are aware of these changes.

BACKGROUND

This article notifies the MACs about updates to the ASC payment center and billing instructions for various payment policies implemented in the July 2017 ASC payment system update, as well as HCPCS changes.

CR10138 also includes updates to payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG files). CR10138 includes Calendar Year (CY) 2017 ASC payment rates for covered surgical and ancillary services (ASCFS file).

1. Category III CPT Code, Effective July 1, 2017

The American Medical Association (AMA) releases Category III Current Procedural Terminology (CPT) codes twice per year: in January, for implementation beginning the following July, and in July, for implementation beginning the following January.

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For the July 2017 update, the Centers for Medicare & Medicaid Services (CMS) is implementing one (1) Category III CPT code that AMA released in January 2017 for implementation on July 1, 2017. The ASC payment rate and ASC payment indicator (ASC PI) for this code is listed in Table 1.

Table 1 — Category III CPT Code Effective July 1, 2017

CPT Code	Short Descriptor	Long Descriptor	July 2017 ASC PI
0474T	Insj aqueous drg dev io rsvr	Insertion of anterior segment aqueous drainage device, with creation of intraocular reservoir, internal approach, into the supraciliary space	J8

2. New Separately Payable Procedure Codes

Effective July 1, 2017, three new HCPCS codes, C9745, C9746, and C9747, have been created. These codes, along with their descriptors and ASC PI, are listed in Table 2.

Table 2 — New Separately Payable Procedure Codes Effective July 1, 2017

HCPCS Code	Short Descriptor	Long Descriptor	July 2017 ASC PI
C9745	Nasal endo eustachian tube	Nasal endoscopy, surgical; balloon dilation of eustachian tube	J8
C9746	Trans imp balloon cont	Transperineal implantation of permanent adjustable balloon continence device, with cystourethroscopy, when performed and/or fluoroscopy, when performed	J8
C9747	Ablation, HIFU, prostate	Ablation of prostate, transrectal, high intensity focused ultrasound (HIFU), including imaging guidance	G2

3. Drugs, Biologicals, and Radiopharmaceuticals

a. ASC Drugs and Biologicals with OPPS Pass-Through Status, Effective July 1, 2017

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For CY 2017, two new HCPCS codes, with OPPS Pass-Through Status, have been created for reporting drugs and biologicals in the ASC payment system, where there have not previously been specific codes available. These new codes are listed in Table 3.

Table 3 — ASC Drugs and Biologicals with OPPS Pass-Through Status, Effective July 1, 2017

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9489	Injection, nusinersen	Injection, nusinersen, 0.1 mg	K2
C9490	Injection, bezlotoxumab	Injection, bezlotoxumab, 10 mg	K2

b. Drugs and Biologicals with Payments Based on Average Sales Price (ASP), Effective July 1, 2017

For CY 2017, payment for non-pass-through drugs, biologicals and therapeutic radiopharmaceuticals continues to be made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. In addition, in CY 2017, a single payment of ASP + 6 percent continues to be made for pass-through drugs, biologicals and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. Payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective July 1, 2017, and drug price restatements are in the July 2017 ASC Addendum BB, available at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

c. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

Some drugs and biologicals based on ASP methodology may have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible on the first date of the quarter at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Restated-Payment-Rates.html. Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request contractor adjustment of the previously processed claims.

d. New Drug HCPCS Codes Effective July 1, 2017

Effective July 1, 2017, one new HCPCS code has been created for reporting drugs and biologicals in the ASC payment system, where there have not previously been specific codes available. This new code is listed in Table 4.

Table 4 — New Drug HCPCS Codes Effective July 1, 2017

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
Q9986	Inj, Makena	Injection, hydroxyprogesterone caproate (Makena), 10 mg	K2

e. Change to ASC Payment Indicator for CPT Code 90682

The influenza vaccine associated with CPT code 90682 (Influenza virus vaccine, quadrivalent (riv4), derived from recombinant dna, hemagglutinin (ha) protein only, preservative and antibiotic free, for intramuscular use) is approved for use in the 2017-2018 flu season (see MLN Matters article MM9876 at https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9876.pdf). CPT code 90682 was added to the January 2017 ASCFS with an effective date of January 1, 2017, and assigned an ASC PI of “L1” (Influenza vaccine; pneumococcal vaccine. Packaged item/service; no separate payment made). Because this code is not a payable code until the start of the 2017 flu season, the payment indicator will be retroactively corrected from ASC PI=L1 to ASC PI=Y5 (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made) effective January 1, 2017, through June 30, 2017. Effective July 1, 2017, CPT code 90682 is assigned SI=L1. ASCs are reminded that ordinarily packaged codes are not billed in the ASC payment system. This change is described in Table 5.

Table 5 — Change to ASC Payment Indicator for CPT Code 90682

CPT Code	Short Descriptor	Long Descriptor	ASC PI	Effective Date
90682	Riv4 vacc recombinant dna im	Influenza virus vaccine, quadrivalent (riv4), derived from recombinant dna, hemagglutinin (ha) protein only, preservative and antibiotic free, for intramuscular use	Y5	January 1, 2017 – June 30, 2017
90682	Riv4 vacc recombinant dna im	Influenza virus vaccine, quadrivalent (riv4), derived from recombinant dna, hemagglutinin (ha) protein only, preservative and antibiotic free, for intramuscular use	L1	July 1, 2017

f. Revised Status Indicator for HCPCS Code J1725

For the July 2017 update, the HCPCS Workgroup inactivated HCPCS code J1725 for Medicare reporting and replaced it with HCPCS code Q9986 (see table 4 above for Q9986 descriptors and ASC PI). Therefore, effective July 1, 2017, the ASC PI for HCPCS code J1725 (Injection,

hydroxyprogesterone caproate, 1 mg) will change from ASC PI=K2 (Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate) to ASC PI= Y5 (Nonsurgical procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made). Table 6 describes the status indicator change and effective date for HCPCS code J1725. The payment rate for HCPCS codes Q9986 is included in the July 2017 ASC Addendum BB, available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

Table 6 — Revised Status Indicator for HCPCS Code J1725

HCPCS	Short Descriptor	Long Descriptor	ASC PI	Effective Date	Termination Date
J1725	Hydroxyprogesterone caproate	Injection hydroxyprogesterone caproate, 1 mg	K2	01/01/2012	06/30/2017
J1725	Hydroxyprogesterone caproate	Injection hydroxyprogesterone caproate, 1 mg	Y5	07/01/2017	

g. Other Changes to CY 2017 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals

Effective July 1, 2017, HCPCS code Q9989 (Ustekinumab, for Intravenous Injection, 1 mg) will replace HCPCS code C9487 (Ustekinumab, for Intravenous Injection, 1 mg). The payment indicator will remain K2, “Drugs and biologicals paid separately when provided integral to a surgical procedure on ASC list; payment based on OPPS rate.” The HCPCS code change and effective date are described in Table 7.

Table 7 — Other Changes to CY 2017 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals Effective July 1, 2017

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Effective Date	Termination Date
C9487	Ustekinumab IV inj, 1 mg	Ustekinumab, for Intravenous Injection, 1 mg	K2	04/01/2017	06/30/2017
Q9989	Ustekinumab IV Inj, 1 mg	Ustekinumab, for Intravenous Injection, 1 mg	K2	07/01/2017	

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.

ADDITIONAL INFORMATION

The official instruction, CR10138, issued to your MAC regarding this change, is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3792CP.pdf.

If you have any questions, please contact your MAC at their toll-free number. That number is available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/.

DOCUMENT HISTORY

Date of Change	Description
June 9, 2017	The article was revised on due to the release of an updated CR that corrected an error to the ASC Payment Indicator for C9747 in Table 2 (changed from J8 to G2).
June 2, 2017	Initial Article Released

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