CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2849	**Date: January 2, 2014**
	Change Request 8575

Transmittal 2846, dated December 27, 2013, is being rescinded and replaced by Transmittal 2849, dated January 2, 2014 to correct the file names in requirements 8575.1 and 8575.3. All other information remains the same.

SUBJECT: January 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 January 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: January 1, 2014
IMPLEMENTATION DATE: January 6, 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.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
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: 2849	Date: January 2, 2014	Change Request: 8575

Transmittal 2846, dated December 27, 2013, is being rescinded and replaced by Transmittal 2849, dated January 2, 2014 to correct the file names in requirements 8575.1 and 8575.3. All other information remains the same.

SUBJECT: January 2014 Update of the Ambulatory Surgical Center (ASC) Payment System

EFFECTIVE DATE: January 1, 2014
IMPLEMENTATION DATE: January 6, 2014

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification describes changes to and billing instructions for various payment policies implemented in the January 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).

Included in this notification are CY 2014 payment rates for separately payable drugs and biologicals, including descriptors for newly created Level II HCPCS codes for drugs and biologicals (ASC DRUG files), and the CY 2014 ASC payment rates for covered surgical and ancillary services (ASCFS file).

Many ASC payment rates under the ASC payment system are established using payment rate information in the Medicare Physician Fee Schedule (MPFS). The payment files associated with this transmittal reflect the most recent changes to CY 2014 MPFS payment.

B. Policy: 1. **New Services**

CMS is establishing one new HCPCS surgical procedure code for ASC use effective January 1, 2014 in table 1. (see Attachment A: Policy Section Tables).

2**. Drugs, Biologicals, and Radiopharmaceuticals**

a. New CY 2014 HCPCS Codes and Dosage Descriptors for Certain Drugs, Biologicals, and Radiopharmaceuticals For CY 2014, several new HCPCS codes have been created in table 2 for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available. (see Attachment A: Policy Section Tables).

b. Other Changes to HCPCS for Certain Drugs, Biologicals, and Radiopharmaceuticals

Table 3 below notes those drugs, biologicals, and radiopharmaceuticals that have undergone changes in their HCPCS codes, their long descriptors, or both. Each product's CY 2013 HCPCS code and CY 2013 long descriptors are noted in the two left-hand columns. The CY 2014 HCPCS code and long descriptors are noted in the adjacent right-hand columns. (see Attachment A: Policy Section Tables).

3. 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 below and has been included in the revised October 2013 ASC Drug file, effective for claims with dates of service October 1, 2013 through December 31, 2013 and processed prior to the implementation of the January 2014 ASC quarterly update. 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. (see Attachment A: Policy Section Tables).

4. Skin Substitute Procedures Effective January 1, 2014, the payment for skin substitute products that do not qualify for OPPS pass-through status will be packaged into the OPPS payment for the associated skin substitute application procedure. This policy is also being implemented in the ASC payment system effective January 1, 2014. The skin substitute products are divided into two groups: 1) high cost skin substitute products and 2) low cost skin substitute products for packaging purposes. Table 5, Attachment A, lists the skin substitute products and their assignment as either a high cost or a low cost skin substitute product, when applicable. Beginning January 1, 2014, ASCs should not separately bill for packaged skin substitutes (ASC PI=N1).

High cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by CPT codes 15271-15278. Low cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by HCPCS code C5271-C5278.

All OPPS pass-through skin substitute products (ASC PI=K2) should be billed in combination with one of the skin application procedures described by CPT code 15271-15278.

5. 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.

6. Attachments

Attachment A: POLICY SECTION TABLES

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
8575.1	Contractors shall download the January 2014 ASCFS from the CMS mainframe. FILENAME: MU00.@BF12390.ASC.CY14.FS.JANA.V0102 **NOTE: The January 2014 ASCFS is a full update.** **NOTE: Date of retrieval will be provided in a**		X							COBC, EDCs

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	separate email communication from CMS									
8575.2	Medicare contractors shall download and install the January 2014 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY14.DRUG.JANA.V1220 **NOTE: Date of retrieval will be provided in a separate email communication from CMS**		X							COBC, EDS
8575.3	Medicare contractors shall download and install the January 2014 ASC PI file. FILENAME: MU00.@BF12390.ASC.CY14.PI.JANA.V0102 **NOTE: Date of retrieval will be provided in a separate email communication from CMS.**		X							COBC, EDCs
8575.4	Medicare contractors shall download and install a revised October 2013 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY13.DRUG.OCTB.V1220 **NOTE: Date of retrieval will be provided in a separate email communication from CMS**		X							COBC, EDCs
8575.4.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service on or after October 1, 2013 and ; 2) Were originally processed prior to the installation of the revised October 2013 ASC DRUG File.		X							COBC
8575.5	Contractors and CWF shall add TOS F to HCPCS C9737, A9520, A9575, A9586, A9599, C9133, C9441, C9497, J0151, J0401, J0717, J1442, J1446, J1556, J1602, J3060, J3489, J7316, J7508, J9047, J9262, J9306, J9354, J9371, J9400, Q0161, Q2028, Q3027 effective for services January 1, 2014 and later		X						X	COBC, EDCs

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	payable in the ASC setting.									
8575.6	CWF, as appropriate, shall remove the TOS F records for HCPCS C1204, J0152, J0718, J1440-J1441, C9130-C9131, C9294, Q0171-Q0172, Q2027, Q2051, Q3025, C9292, C9298, C9295 -C9297, to prevent claims from incorrectly processing as ASC approved services for DOS on/after January 1, 2014.								X	COBC, EDCs
8575.7	Contractors and CWF shall end dateHCPCS C1204, J0152, J0718, J1440-J1441, C9130-C9131, C9294, Q0171-Q0172, Q2027, Q2051, Q3025, C9292, C9298, C9295-C9297, in their systems effective December 31, 2013.		X						X	COBC, EDCs
8575.8	Contractors shall make January 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			DME MAC	CEDI
		A	B	HHH		
8575.9	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			

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:
8575.5	Attachment A: POLICY SECTION TABLES
8575.7	Attachment A: POLICY SECTION TABLES
8575.1	Attachment A: POLICY SECTION TABLES
8575.2	Attachment A: POLICY SECTION TABLES
8575.3	Attachment A: POLICY SECTION TABLES
8575.4	Attachment A: POLICY SECTION TABLES
8575.4.1	Attachment A: POLICY SECTION TABLES
8575.6	Attachment A: POLICY SECTION TABLES
8575.8	Attachment A: POLICY SECTION TABLES

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.) , 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 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(s): 1

Attachment A

POLICY SECTION TABLES

Table 1 – New Procedure Payable under the ASC Payment System Effective January 1, 2014

HCPCS	Short Descriptor	Long Descriptor	ASC PI
C9737	Lap esoph augmentation	Laparoscopy, surgical, esophageal sphincter augmentation with device (eg, magnetic band)	G2

Table 2 -– New CY 2014 HCPCS Codes Effective for Certain Drugs, Biologicals, and Radiopharmaceuticals

CY 2014 HCPCS Code	Long Descriptor	ASC PI
A9575	Injection, Gadoterate Meglumine, 0.1 mL	N1
A9586*	Florbetapir f18, diagnostic, per study dose, up to 10 millicuries	N1
A9599	Radiopharmaceutical, Diagnostic, For Beta-amyloid Positron Emission Tomography (PET) Imaging, Per Study Dose	N1
C9133	Factor ix (antihemophilic factor, recombinant), Rixubis, per i.u.	K2
C9441	Injection, ferric carboxymaltose, 1 mg	K2
C9497	Lozapine, inhalation powder, 10 mg	K2
J0401	Injection, Aripiprazole, Extended Release, 1 mg	K2
J1446	Injection, TBO-Filgrastim, 5 micrograms	Y5
J1602	Injection, golimumab, 1 mg, for intravenous use	K2
J7508	Tacrolimus, Extended Release, Oral, 0.1 mg	K2
J9371	Injection, Vincristine Sulfate Liposome, 1 mg	K2
Q4137	Amnioexcel or Biodexcel, Per Square Centimeter	N1
Q4138	BioDfence DryFlex, Per Square Centimeter	N1
Q4139	AmnioMatrix or BioDMatrix, injectable, 1 cc	N1
Q4140	Biodfence, Per Square Centimeter	N1
Q4141	Alloskin AC, Per Square Centimeter	N1
Q4142	XCM Biologic Tissue Matrix, Per Square Centimeter	N1
Q4143	Repriza, Per Square Centimeter	N1
Q4145	Epifix, Injectable, 1mg	N1
Q4146	Tensix, Per Square Centimeter	N1
Q4147	Architect Extracellular Matrix, Per Square Centimeter	N1
Q4148	Neox 1k, Per Square Centimeter	N1
Q4149	Excellagen, 0.1 cc	N1

* A9586 is ASCPI= N1 retroactive to October 1, 2013

Table 3 -– Other Changes to HCPCS for Certain Drugs, Biologicals, and Radiopharmaceuticals

CY 2013 HCPCS /CPT code	CY 2013 Long Descriptor	CY 2014 HCPCS /CPT Code	CY 2014 Long Descriptor
C1204	Technetium Tc 99m tilmanocept, diagnostic, up to 0.5 millicuries	A9520	Technetium Tc 99m tilmanocept, diagnostic, up to 0.5 millicuries
J0152	Injection, adenosine for diagnostic use, 30 mg (not to be used to report any adenosine phosphate compounds)	J0151	Injection, Adenosine For Diagnostic Use, 1 mg (not to be used to report any Adenosine Phosphate Compounds, Instead use A9270)
J0718	Injection, certolizumab pegol, 1 mg	J0717	Injection, certolizumab pegol , 1 mg (code may be used for medicare when drug administered under the direct supervision of a physician, not for use when drug is self-administered)
J1440	Injection, filgrastim (g-csf), 300 mcg	J1442	Injection, Filgrastim (G-CSF), 1 microgram
J1441	Injection, filgrastim (g-csf), 480 mcg	J1442	Injection, Filgrastim (G-CSF), 1 microgram
C9130	Injection, immune globulin (Bivigam), 500 mg	J1556	Injection, immune globulin (Bivigam), 500 mg
C9294	Injection, taliglucerase alfa, 10 units	J3060	Injection, taliglucerase alfa, 10 units
Q2051*	Injection, Zoledronic Acid, Not Otherwise Specified, 1 mg	J3489	Injection, Zoledronic Acid, 1mg
C9298	Injection, ocriplasmin, 0.125 mg	J7316	Injection, Ocriplasmin, 0.125mg
C9295	Injection, carfilzomib, 1 mg	J9047	Injection, carfilzomib, 1 mg
C9297	Injection, omacetaxine mepesuccinate, 0.1 mg	J9262	Injection, omacetaxine mepesuccinate, 0.01 mg
C9292	Injection, pertuzumab, 10 mg	J9306	Injection, pertuzumab, 1 mg
C9131	Injection, ado-trastuzumab emtansine, 1 mg	J9354	Injection, ado-trastuzumab emtansine, 1 mg
C9296	Injection, ziv-aflibercept, 1 mg	J9400	Injection, Ziv-Aflibercept, 1 mg
Q0171	Chlorpromazine hydrochloride, 10 mg, oral, fda approved prescription	Q0161	Chlorpromazine hydrochloride, 5 mg, oral, fda approved prescription anti-emetic, for use as a complete therapeutic substitute for an iv anti-emetic at the time of chemotherapy treatment, not to exceed a 48 hour dosage regimen
Q0172	Chlorpromazine hydrochloride, 25 mg, oral, FDA approved prescription anti-emetic, for use as a complete therapeutic substitute for an IV anti-emetic at the time of chemotheapy treatment, not to exceed a 48-hour dosage regimen	Q0161	Chlorpromazine hydrochloride, 5 mg, oral, fda approved prescription anti-emetic, for use as a complete therapeutic substitute for an iv anti-emetic at the time of chemotherapy treatment, not to exceed a 48 hour dosage regimen
Q2027	Injection, Sculptra, 0.1 ml	Q2028	Injection, Sculptra, 0.5 mg
Q3025	Injection, interferon beta-1a, 11 mcg for intramuscular use	Q3027	Injection, Interferon Beta-1a, 1 mcg For Intramuscular Use

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

HCPCS Code	Short Descriptor	Corrected Payment Rate
C1204	Tc 99m tilmanocept	$223.15

Table 5 – Skin Substitute Product Assignment to High Cost/Low Cost Status for CY 2014

CY 2014 HCPCS Code	CY 2014 Short Descriptor	ASC PI	Low/High Cost Skin Substitute
C9358	SurgiMend, fetal	N1	Low
C9360	SurgiMend, neonatal	N1	Low
C9363	Integra Meshed Bil Wound Mat	N1	Low
Q4100	Skin substitute, NOS	N1	Low
Q4101	Apligraf	N1	High
Q4102	Oasis wound matrix	N1	Low
Q4103	Oasis burn matrix	N1	Low
Q4104	Integra BMWD	N1	Low
Q4105	Integra DRT	N1	Low
Q4106	Dermagraft	N1	High
Q4107	Graftjacket	N1	High
Q4108	Integra matrix	N1	Low
Q4110	Primatrix	N1	High
Q4111	Gammagraft	N1	Low
Q4115	Alloskin	N1	Low
Q4116	Alloderm	N1	High
Q4117	Hyalomatrix	N1	Low
Q4119	Matristem wound matrix	N1	Low
Q4120	Matristem burn matrix	N1	Low
Q4121	Theraskin	N1	Low
Q4122	Dermacell	K2	n/a
Q4123	Alloskin	N1	Low
Q4124	Oasis tri-layer wound matrix	N1	Low
Q4125	Arthroflex	N1	High
Q4126	Memoderm/derma/tranz/integup	N1	High
Q4127	Talymed	K2	n/a
Q4128	Flexhd/Allopatchhd/matrixhd	N1	Low
Q4129	Unite biomatrix	N1	Low
Q4131	Epifix	K2	n/a
Q4132	Grafix core	K2	n/a
Q4133	Grafix prime	K2	n/a
Q4134	hMatrix	N1	High
Q4135	Mediskin	N1	Low
Q4136	EZderm	N1	Low
Q4137	Amnioexcel or biodexcel, 1cm	N1	Low
Q4138	BioDfence DryFlex, 1cm	N1	Low

CY 2014 HCPCS Code	CY 2014 Short Descriptor	ASC PI	Low/High Cost Skin Substitute
Q4140	Biodfence 1cm	N1	Low
Q4141	Alloskin ac, 1 cm	N1	Low
Q4142	Xcm biologic tiss matrix 1cm	N1	Low
Q4143	Repriza, 1cm	N1	Low
Q4146	Tensix, 1cm	N1	Low
Q4147	Architect ecm, 1cm	N1	Low
Q4148	Neox 1k, 1cm	N1	Low