MLN Matters®
Information for Medicare Fee-for-Service Health Care Professionals

News Flash – The Centers for Medicare & Medicaid Services (CMS) has released MLN Matters Special Edition Article #SE1017 to assist all providers that will be affected by Medicare Administrative Contractor (MAC) implementations, or DME MAC transitions due to re-competing DME MAC Contracts. This article updates material contained in MLN Matters Article #SE0837, which was originally issued in November 2008, to reflect current experiences with transitions to a MAC. For more details, please read the article at *http://www.cms.gov/MLNMattersArticles/downloads/SE1017.pdf* on the CMS website.

MLN Matters® Number: MM7010

Related Change Request (CR) #: 7010

Related CR Release Date: May 28, 2010

Effective Date: January 1, 2010

Related CR Transmittal #: R711OTN

Implementation Date: June 21, 2010

Revised Payment Files for the 2010 Ambulatory Surgical Center Payment System

Provider Types Affected

Ambulatory Surgical Centers (ASC) submitting claims to Medicare contractors (carriers and Part A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries are affected.

Provider Action Needed

This article is based on CR 7010, which amends those payment files used to pay ASC claims to reflect retroactive provisions of the Affordable Care Act (ACA). Because the ACA payment adjustments are retroactive to January 1, 2010, your Medicare contractor will adjust claims you bring to their attention with dates of service on or after January 1, 2010, that are/were processed before the new payment files are in place. Be sure your billing staffs know of this change.

Background

Many ASC payment rates under the ASC payment system are established using payment rate information in the Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS). CR 7010 directs Medicare contractors to amend payment files to reflect retroactive changes to the calendar year (CY) 2010 OPPS and MPFS payment rates.

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CR 7010 also amends those payment files to include changes to the MPFS payment amounts as a result of practice expense (PE) and malpractice relative value unit (RVU) corrections. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files, retroactive to January 1, 2010.

Medicare contractors will begin to pay claims using these new files no later than 3 weeks from the date of issuance of this instruction. Contractors will disclose the new January 2010 ASC payment rates on their websites as soon as possible, but no later than 2 weeks from the date that the files are available for contractors to download. In addition, contractors will notify providers via their website that the new fees are effective retroactive to January 1, 2010.

Contractors are not required to reprocess ASC claims, but will adjust claims brought to their attention. Contractors will not perform mass adjustments for claims affected by changes in this instruction. Contractors will continue all routine functions, such as redeterminations, re-openings, and appeals.

Key Changes of CR 7010

Affordable Care Act Changes to the OPPS

The ACA changed the CY 2010 market basket update to the conversion factor and wage index values for certain hospitals. Due to budget neutrality, these changes effectively change the CY 2010 OPPS payment amount for most Ambulatory Payment Classes (APCs). The ASC payment system uses the OPPS payment amounts in the payment methodology for “office-based” surgical procedures and ancillary radiology services. Further, ASC payment for device-intensive services is established by including the device portion for the OPPS payment, and this amount is based on the revised OPPS payment amount.

Affordable Care Act Changes to the MPFS

As discussed in CR 6973, Section 3111 of the ACA changed several aspects of the MPFS. Of these changes, only changes to the non-facility PE RVUs for bone density tests are ancillary radiology services under the ASC Payment System. The ASC payment system uses the MPFS non facility PE payment in the payment methodology for ancillary radiology services.

Corrections to MPFS CY 2010 Payment

The revised payment files issued also reflect corrections and revisions to certain PE and malpractice MPFS RVU’s, including the non-facility PE RVUs included in the ASC payment system, as discussed in CR 6973. The MLN Matters® article related to CR 6973 is available at

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http://www.cms.gov/MLNMattersArticles/downloads/MM6973.pdf on the Centers for Medicare & Medicaid Services (CMS) website.

Additional Information

If you have questions, please contact your Medicare carrier and/or MAC at their toll-free number which may be found at http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip on the CMS website.

The official instruction issued to your Medicare carrier and/or MAC regarding this change may be viewed at http://www.cms.gov/Transmittals/downloads/R711OTN.pdf on the CMS website.

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