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July 2021 Update of the Ambulatory Surgical Center [ASC] Payment System

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Related Change Request (CR) Number: 12341
Related CR Release Date: June 25, 2021
Effective Date: July 1, 2021
Related CR Transmittal Number: R10858CP
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Provider Types Affected

This MLN Matters Article is for ASCs submitting claims to Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

Provider Action Needed

This Article describes changes to, and billing instructions for, various payment policies CMS is making in the July 2021 ASC payment system update. CR 12341 also includes HCPCS updates. Make sure your billing staff is aware of these changes.

Background

CR12341 includes Calendar Year (CY) 2021 payment rates for separately payable procedures or services, drugs, and biologicals, including descriptors for newly created CPT and Level II HCPCS codes. We will issue a July 2021 ASC Fee Schedule (ASCFS) File, a July 2021 ASC Payment Indicator (ASC PI) File, and a July 2021 ASC Drug File. We won't issue a July 2021 ASC Code Pair file.

1. New CPT Category III Codes Effective July 1, 2021

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

For the July 2021 update, We are implementing 8 CPT Category III codes that the AMA released in January 2021 for implementation effective July 1, 2021. We list these codes, along with their long and short descriptors, and ASC payment indicators in Table 1 of CR12341.

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2. New Device Code

Section 1833(t)(6)(B) of the Social Security Act requires that, under the Outpatient Prospective Payment System (OPPS), categories of devices be eligible for transitional pass-through payments for at least 2, but not more than 3 years. Section 1833(t)(6)(B)(ii)(IV) of the Act requires that we create additional categories for transitional pass-through payment of new medical devices not described by existing or previously existing categories of devices

We are establishing 1 new OPPS device pass-through code effective July 1, 2021. Table 2 of CR12341 describes the code, descriptors, and ASC PI.

We have determined that the costs associated with HCPCS code C1761 (Catheter, transluminal intravascular lithotripsy, coronary) aren't reflected in OPPS Ambulatory Payment Classification (APC) 5193. Therefore, we aren't applying a device offset to C1761. Always bill the device in the category described by HCPCS code C1761 with 1 of the following CPT codes:

- CPT code 92928 (Percutaneous transcatheter placement of intracoronary stent(s), with coronary angioplasty when performed; single major coronary artery or branch), which is assigned to OPPS APC 5193 for CY 2021;
- CPT code C9600 (Percutaneous transcatheter placement of drug eluting intracoronary stent(s), with coronary angioplasty when performed; single major coronary artery or branch), which is assigned to OPPS APC 5193 for CY 2021

3. ASC Drugs and Biologicals

a. New HCPCS Codes for Certain Drugs and Biologicals Receiving Separate ASC Payment Effective July 1, 2021

There are 8 new HCPCS codes for reporting drugs and biologicals in the ASC setting, where there haven't previously been specific codes available starting on July 1, 2021. These drugs and biologicals will receive OPPS drug pass-through status starting July 1, 2021. We list these HCPCS codes, descriptors, ASC PI, and the effective date in Table 3 of CR12341.

b. Newly Established HCPCS Codes for Drugs, Biologicals, and Radiopharmaceuticals as of July 1, 2021

There are 3 new drug, biological, and radiopharmaceutical HCPCS codes. The codes are separately payable in the ASC setting effective July 1, 2021. Two of these codes had former codes describing these drugs and biologicals. The former codes expire June 30, 2021. We list the new and old HCPCS codes, as well as the descriptors and ASC PIs in Table 4 of CR12341.

c. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)

For CY 2021, payment for nonpass-through drugs and biologicals continues to be made at a single rate of ASP plus 6 percent, which provides payment for both the acquisition cost and

pharmacy overhead costs associated with the drug or biological. Also, in CY 2021, a single payment of ASP plus 6 percent continues to be made for the OPPS pass-through drugs and biologicals to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. We update payments for drugs and biologicals based on ASPs quarterly as later quarter ASP submissions become available. Updated payment rates effective July 1, 2021, are in the July 2021 update of ASC Addendum BB.

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

Some drugs and biologicals with payment rates based on the ASP methodology may have their payment rates corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payment rates will be accessible on the first date of the quarter. Suppliers who think they got an incorrect payment for drugs and biologicals impacted by these corrections may request MAC adjustment of the previously processed claims.

4. Skin Substitutes

The payment for skin substitute products that don't qualify for hospital OPPS pass-through status is packaged into the OPPS payment for the associated skin substitute application procedure. This policy is in the ASC payment system. We divide the skin substitute products into 2 groups:

1. High cost skin substitute products

2. Low cost skin substitute products for packaging purposes

You should only use high cost skin substitute products in combination with the performance of one of the skin application procedures described by CPT codes 15271-15278. Only use low cost skin substitute products in combination with the performance of one of the skin application procedures described by HCPCS code C5271-C5278. You should bill all OPPS pass-through skin substitute products (ASC PI=K2) in combination with one of the skin application procedures described by CPT code 15271-15278. We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless we have OPPS pricing data that demonstrates that the cost of the product is above either the mean unit cost of $48 or per day cost of $949 for CY 2021.

We are reassigning 1 skin substitute HCPCS code from the low cost skin substitute group to the high cost skin substitute group as of July 1, 2021. We list this code in Table 5 of CR12341.

Note: ASCs shouldn't separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes aren't reportable under the ASC payment system.

5. New Technology HCPCS Code C9778

We are establishing HCPCS code C9778, effective July 1, 2021, to describe the technology

associated with vaginal colpopexy by sacrospinous ligament fixation. Table 6 of CR12341 lists the descriptors and payment indicator.

6. Coverage Determinations

The fact that we assign a drug, device, procedure, or service a HCPCS code and a payment rate under the ASC payment system doesn't imply coverage by the Medicare Program. It only indicates how we pay for the product, procedure, or service if we cover it. 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 patient's condition and whether we exclude it from payment.

More Information

We issued CR 12341 to your MAC as the official instruction for this change.

For more information, contact your MAC.

Document History

Date of Change	Description
June 25, 2021	Initial article released.