



Ambulatory Surgical Center Payment System: October 2022 Update

MLN Matters Number: MM12915

Related Change Request (CR) Number: 12915

Related CR Release Date: September 23, 2022 Effective Date: October 1, 2022

Related CR Transmittal Number: R11610CP Implementation Date: October 3, 2022

Related CR Title: October 2022 Update of the Ambulatory Surgical Center (ASC) Payment System

Provider Types Affected

This MLN Matters Article is for physicians, Ambulatory Surgical Centers (ASCs), and suppliers billing Medicare Administrative Contractors (MACs) for ASC services they provide to Medicare patients.

Provider Action Needed

Make sure your billing staff knows about:

- Updates to the ASC payment system in October
- New Outpatient Prospective Payment System (OPPS) device pass-through code
- Newly established HCPCS codes for drugs and biologicals
- New skin substitute products low-cost group or high-cost group assignment

Background

1. ASC Payment Indicator Change for Bone (Mineral) Density Studies Described by CPT Codes 0554T, 0555T, 0556T, 0557T, and 0558T

Effective October 1, 2022, CMS is changing the payment indicators (PIs) for CPT codes 0554T through 0558T to “E5” (Surgical Procedure/item not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made.). This shows the codes are non-covered because the services described by the codes don’t meet Medicare’s definition of bone mass measurements (BMMs). The conditions for coverage of bone mass measurements are in chapter 15, section 80.5 of the [Medicare Benefit Policy Manual](#). As this section states, BMMs means a radiologic, radioisotopic, or other procedure that meets **all** of the following conditions:

- a. Is performed to identify bone mass, detect bone loss, or determine bone quality

- b. Is performed with either a bone densitometer (other than single-photon or dual-photon absorptiometry) or a bone sonometer system that has been cleared for marketing for BMM by the FDA under [21 CFR 807](#), or approved for marketing under [21 CFR 814](#)
- c. Includes a physician's interpretation of the results

The codes, along with their short descriptors and ASC PIs are in the [October 2022 ASC Addendum BB](#).

2. New OPPS Device Pass-Through Code Effective October 1, 2022

Section 1833(t)(6)(B) of the [Social Security Act](#) (the Act) requires that, under the OPPS, categories of devices are eligible for transitional pass-through payments for at least 2, but not more than 3 years. Also, 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.

For the October 2022 update, we approved a new device for pass-through status under the OPPS. HCPCS code C1834 (Pressure sensor system, includes all components (e.g., introducer, sensor), intramuscular (implantable), excludes mobile (wireless) software application), effective October 1, 2022. [Table 1 of CR 12915](#) includes the HCPCS code, code descriptors, and ASC PI.

a. Device Offset for HCPCS Code C1834

We've decided an offset is associated with the costs of the device category for HCPCS code C1834. Always bill the device in the ASC setting with the CPT code 20950 (Monitoring of interstitial fluid pressure (includes insertion of device, e.g., wick catheter technique, needle manometer technique) in detection of muscle compartment syndrome). Based on available information from claims data, there isn't a device offset percentage for CPT code 20950 for CY 2022.

3. ASC Drugs, Biologicals, and Radiopharmaceuticals

a. Newly Established HCPCS Codes for Drugs and Biologicals Effective October 1, 2022

We established 10 new drug and biological HCPCS codes effective October 1, 2022. The old HCPCS codes are deleted effective September 30, 2022. We show these HCPCS codes in [Table 2 CR 12915](#).

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

For calendar year (CY) 2022, payment for nonpass-through drugs and biologicals continues at a single rate of ASP + 6%, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug or biological. Also, in CY 2022, a single payment of ASP + 6% continues 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 base payments for drugs and biologicals on

ASPs that we update on a quarterly basis as later quarter ASP submissions become available. We list updated payment rates effective July 1, 2022, in the [July 2022 update of ASC Addendum BB](#).

- c. 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. ASC facilities who think they got an incorrect payment for drugs and biologicals affected 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 OPSS pass-through status are packaged into the OPSS payment for the associated skin substitute application procedure. This policy is also implemented in the ASC payment system. The skin substitute products are divided into 2 groups for packaging purposes:

1. High-cost skin substitute products. High-cost skin substitute products should only be used in combination with the performance of 1 of the skin application procedures described by CPT codes 15271-15278.
2. Low-cost skin substitute products. Low-cost skin substitute products should only be used in combination with the performance of 1 of the skin application procedures described by HCPCS code C5271-C5278.

a. New Skin Substitute Products as of October 1, 2022

There are 5 new skin substitute HCPCS codes added to the ASC payment system as of October 1, 2022. These codes are in [Table 3 of CR 12915](#). We remind ASCs not to separately bill for packaged skin substitutes (ASC PI=N1), since packaged codes aren't reportable under the ASC payment system.

5. January 2022 ASC Code Pair File

We've identified an error with the January 2022 ASC code pair file resulting in the inappropriate removal of a device offset amount for allowable code pairs where the device offset percentage should be 0%. The file identified the following code pairs below along with an offset value. However, no offset should be taken when these allowed code pairs are performed.

- HCPCS C1761 - CPT 92928
- HCPCS C1761 - HCPCS C9600

We're reissuing a corrected January 2022 code pair file removing these code pairs. This correction is effective retroactively to January 1, 2022.

ASC facilities that believe they got an incorrect payment for these services may request MAC adjustment of the previously processed claims.

6. 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 doesn't imply coverage by the Medicare program. It only indicates how we pay for the product, procedure, or service if covered by the program. MACs decide whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs decide that it's reasonable and necessary to treat the patient's condition and whether it's excluded from payment.

More Information

We issued [CR 12915](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
September 26, 2022	Initial article released.

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