



Ambulatory Surgical Center Payment System: October 2023 Update

Related CR Release Date: August 31, 2023

MLN Matters Number: MM13353

Effective Date: October 1, 2023

Related Change Request (CR) Number: [CR 13353](#)

Implementation Date: October 2, 2023

Related CR Transmittal Number: R12229CP

Related CR Title: October 2023 Update of the Ambulatory Surgical Center (ASC) Payment System

Affected Providers

- Physicians
- ASCs
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for ASC services provided to Medicare patients

Action Needed

Make sure your billing staffs know about:

- New HCPCS code for renal/kidney histotripsy
- New drugs and biologicals codes
- New skin substitute HCPCS codes

Background

CR 13353 provides changes to and billing instructions for various payment policies CMS is implementing in the October 2023 ASC payment system update. Where needed, we're also making HCPCS updates.

CR 13353 includes the CY 2023 payment rates for separately payable procedures and services, drugs and biologicals, including descriptors for newly created CPT and Level II HCPCS codes.

We're also issuing an October 2023:

- ASC Fee Schedule (ASCFS) file
- ASC Payment Indicator (ASC PI) file
- ASC Drug file

If needed, we'll also issue restated ASC Drug files and a revised October 2023 ASC Code Pair file this quarter.

The October updates are:

1. New HCPCS Procedure Code Describing the Instillation of an Anti-neoplastic Pharmacologic/Biologic Agent into the Renal Pelvis

We're establishing a new HCPCS procedure code, C9789, to describe the instillation of an anti-neoplastic pharmacologic/biologic agent into the renal pelvis. [Table 1 of CR 13353](#) lists the long and short descriptors, and ASC PI. C9789, along with its short descriptor, ASC PI, and payment rate, is also in the October 2023 ASC [Addendum AA](#).

2. New HCPCS Code for Renal/Kidney Histotripsy

We approved the clinical study associated with [HistoSonic's Edison Histotripsy System](#) for kidney histotripsy for Medicare coverage on June 15, 2023, as a Category B Investigational Device Exemption (IDE) study. There's no current, specific HCPCS code describing this service. We're establishing HCPCS code C9790 so Medicare can track and pay appropriately for this IDE study effective October 1, 2023. [Table 2 of CR 13353](#) lists the descriptors and ASC PI for C9790.

3. Drugs and Biologicals

a. Newly Established HCPCS Codes for Drugs and Biologicals Effective October 1, 2023

We're establishing 14 new separately payable HCPCS codes in the ASC setting. These HCPCS codes, as well as their descriptors and ASC PIs, are in [Table 3 of CR 13353](#). We're deleting HCPCS code C9151 effective September 30, 2023, and replacing it with HCPCS code J2781, effective October 1, 2023. Also, we're deleting HCPCS code J0800 effective September 30, 2023, and replacing it with HCPCS codes J0801 and J0802, effective October 1, 2023.

b. Existing HCPCS Codes for Certain Diagnostic Radiopharmaceuticals with OPPS Pass-Through Status Ending on September 30, 2023

Two HCPCS codes, A9591 and C9067, for diagnostic radiopharmaceuticals will have their Outpatient Prospective Payment System (OPPS) pass-through status end on September 30, 2023, at which point we'll package payment for these codes into the payment for their respective primary procedures. We're also packaging these codes in the ASC setting. The codes, descriptors, and PIs are in [Table 4 of CR 13353](#).

c. HCPCS Code J0174 Previously Established Retroactive to July 6, 2023

We established HCPCS code J0174 retroactive to July 6, 2023, and it's separately payable in the ASC setting. The information for J0174 is in [Table 5 of CR 13353](#).

d. HCPCS Code for Drug Deleted as of September 30, 2023

We're deleting 2 HCPCS drug codes on September 30, 2023. They're in [Table 6 of CR 13353](#).

e. HCPCS Code for Drug with Descriptor Change as of October 1, 2023

HCPCS drug code J1921 has a new descriptor as of October 1, 2023. This code is in [Table 7 of CR 13353](#).

f. HCPCS Code for Drug with Descriptor Change as of July 1, 2023

HCPCS drug, biological, and radiopharmaceutical code J2426 has a new descriptor as of July 1, 2023. This new descriptor is unchanged for October 2023. The code is in [Table 8 of CR 13353](#).

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

For CY 2023, we made payment for most OPPS pass-through and nonpass-through drugs and biologicals in the ASC setting at a single rate of ASP plus 6% (or ASP plus 6% or 8% of the reference product for biosimilars). This provides payment for both the acquisition cost and pharmacy overhead costs of these items. We update payments for drugs and biologicals based on ASPs quarterly as later-quarter ASP submissions are available.

Effective October 1, 2023, payment rates for many drugs and biologicals have changed from the values published in the CY 2023 OPPS/ASC final rule with comment period due to the new ASP calculation based on sales price submissions from the second quarter of CY 2023. In cases where adjustments to payment rates are necessary, we made changes to the payment rates in the October 2023 ASC drug file. The updated payment rates effective October 1, 2023, are in [ASC Addendum BB](#).

h. 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. If you think you got an incorrect payment for drugs and biologicals impacted by these corrections, you may request your MAC to adjust the previously processed claims.

4. Skin Substitutes

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

- High-cost skin substitute products, which you should only use in combination with the performance of 1 of the skin application procedures described by CPT codes 15271-15278
- Low-cost skin substitute products, which you should only use in combination with the performance of 1 of the skin application procedures described by HCPCS codes C5271-C5278

Bill all OPPS pass-through skin substitute products, ASC PI=K2, in combination with 1 of the skin application procedures described by CPT codes 15271-15278. We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless we've OPPS pricing data that demonstrates that the cost of the product is above either the mean unit cost of \$47 or the per day cost of \$837 for CY 2023.

a. New Skin Substitute Products as of October 1, 2023

Four new HCPCS skin substitute codes are active as of October 1, 2023. These codes are in [Table 9 of CR 13353](#). ASCs shouldn't separately bill for packaged skin substitutes, ASC PI=N1, since packaged codes aren't reportable under the ASC payment system.

b. Skin Substitute Product Reassigned to the High-Cost Skin Substitute Group as of October 1, 2023

We reassigned 1 HCPCS skin substitute code, Q4282, from the low-cost skin substitute group to the high-cost skin substitute group as of October 1, 2023. The code is in [Table 10 of CR 13353](#). ASCs shouldn't separately bill for packaged skin substitutes, ASC PI=N1, since packaged codes aren't reportable under the ASC payment system.

5. Coverage Determinations

That a drug, device, procedure, or service is assigned an HCPCS code and a payment rate under the ASC payment system doesn't imply coverage by the Medicare Program, but indicates only how we pay for the product, procedure, or service if Medicare covers it. MACs decide whether a drug, device, procedure, or other service meets all Medicare coverage requirements. 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 13353 to your MAC as the official instruction for this change.

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

Document History

Date of Change	Description
August 31, 2023	Initial article released.

View the [Medicare Learning Network® Content Disclaimer and Department of Health & Human Services Disclosure](#).

The Medicare Learning Network®, MLN Connects®, and MLN Matters® are registered trademarks of the U.S. Department of Health & Human Services (HHS).

CPT only copyright 2022 American Medical Association. All rights reserved.