



October 2019 Update of the Ambulatory Surgical Center (ASC) Payment System

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Related CR Transmittal Number: R4389CP

Implementation Date: October 7, 2019

PROVIDER TYPES AFFECTED

This MLN Matters Article is for physicians, providers, and suppliers billing Medicare Administrative Contractors (MACs) for services subject to the Ambulatory Surgical Center (ASC) payment system.

WHAT YOU NEED TO KNOW

CR11457 describes changes to and billing instructions for various payment policies implemented in the October 2019 ASC payment system update. The CR also includes HCPCS updates. Please make sure your billing staffs are aware of these changes.

BACKGROUND

This article includes calendar year (CY) 2019 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created CPT and Level II HCPCS codes for drugs and biologicals (ASC DRUG) files. The Centers for Medicare & Medicaid Services (CMS) will issue an October 2019 ASC Payment Indicator (ASC PI) File. CMS is not issuing October 2019 ASC Fee Schedule (ASCFS) or ASC Code Pair files in CR11457. The changes are as follows:

1. Drugs and Biologicals

a. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective July 1, 2019

For CY 2019, payment for nonpass-through drugs and biologicals continues to be made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug or biological. Also, in CY 2019, a single payment of ASP + 6 percent continues for Outpatient Prospective Payment System (OPPS) pass-through drugs and biologicals to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. Payments for drugs and biologicals based on ASPs occur on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective October 1, 2019, are available in the October 2019 update of ASC Addendum BB at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html.

b. New Established HCPCS Codes for Separately Payable Drugs and Biologicals as of October 1, 2019

On October 1, 2019, 20 new drug and biological HCPCS codes become effective. On September 30, 2019, the old HCPCS code column are deleted. The new and old codes are in Table 1.

Table 1. – New Established HCPCS Codes for Separately Payable Drugs and Biologicals Effective October 1, 2019

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
J1943	C9035	Inj., aristada initio, 1 mg	Injection, aripiprazole lauroxil (aristada initio), 1 mg	K2
J0222	C9036	Inj., patisiran, 0.1 mg	Injection, Patisiran, 0.1 mg	K2
J2798	C9037	Inj., perseris, 0.5 mg	Injection, risperidone, (perseris), 0.5 mg	K2
J9204	C9038	Inj mogamulizumab-kpkc, 1 mg	Injection, mogamulizumab-kpkc, 1 mg	K2
J0291	C9039	Inj., plazomicin, 5 mg	Injection, plazomicin, 5 mg	K2

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
J3031	C9040	Inj., fremanezumab-vfrm 1 mg	Injection, fremanezumab-vfrm, 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)	K2
J0641 ⁽¹⁾⁽²⁾	C9043	Inj., levoleucovorin, 0.5 mg	Injection, levoleucovorin, 0.5 mg	K2
J9119	C9044	Inj., cemiplimab-rwlc, 1 mg	Injection, cemiplimab-rwlc, 1 mg	K2
J9313	C9045	Inj., lumoxiti, 0.01 mg	Injection, moxetumomab pasudotox-tdfk, 0.01 mg	K2
J1096	C9048	Dexametha oph insert 0.1 mg	Dexamethasone, lacrimal ophthalmic insert, 0.1 mg	K2
J9269	C9049	Inj. tagraxofusp-erzs 10 mcg	Injection, tagraxofusp-erzs, 10 micrograms	K2
J9210	C9050	Inj., emapalumab-lzsg, 1 mg	Injection, emapalumab-lzsg, 1 mg	K2
J0121	C9051	Inj., omadacycline, 1 mg	Injection, omadacycline, 1 mg	K2
J1303	C9052	Inj., ravulizumab-cwvz 10 mg	Injection, ravulizumab-cwvz, 10 mg	K2
J1097	C9447	Phenylep ketorolac oph soln	phenylephrine 10.16 mg/ml and ketorolac 2.88 mg/ml ophthalmic irrigation solution, 1 ml	K2
J0122		Inj., eravacycline, 1 mg	Injection, eravacycline, 1 mg	K2
J0593		Inj., lanadelumab-flyo, 1 mg	Injection, lanadelumab-flyo, 1 mg (code may be used for Medicare when drug administered under direct supervision of a physician, not for use when drug is self-administered)	K2

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
J1944	J1942	aripiprazole lauroxil 1 mg	Injection, aripiprazole lauroxil, (aristada), 1 mg	K2
J3111		Inj. romosozumab-aqqg 1 mg	Injection, romosozumab-aqqg, 1 mg	K2
J7314		Inj., yutiq, 0.01 mg	Injection, fluocinolone acetonide, intravitreal implant (Yutiq), 0.01 mg	K2
Q5117		Inj., kanjinti, 10 mg	Injection, trastuzumab-anns, biosimilar, (kanjinti), 10 mg	K2

(1) HCPCS J0641 is not new for October 1, 2019, but is included in this table to highlight that while C9043 is being deleted September 30, 2019, the existing HCPCS J0641 has the same descriptors. The product previously described by C9043 will now be reported using J0641.

(2) Please also note that the short and long descriptors have changed for J0641, effective October 1, 2019.

c. Separately Payable Drugs and Biologicals with Retroactive Payment Indicator Change for the Period of April 1, 2019 through June 30, 2019

The ASC PI for HCPCS code C9042 (Injection, bendamustine hcl (belrapzo), 1 mg) for the period of April 1, 2019 through June 30, 2019 will be changed retroactively from ASC PI = Y5 to status indicator = K2. Table 2 displays this drug

Table 2. – Separately Payable Drugs and Biologicals with Retroactive Payment Indicator Change for the Period of April 1, 2019 through June 30, 2019

HCPCS Code	Short Descriptor	Long Descriptor	Old ASC PI	New ASC PI
C9042	Inj., belrapzo 1 mg	Injection, bendamustine hcl (belrapzo), 1 mg	Y5	K2

d. Separately Payable Drug and Biological with Retroactive Payment Indicator Change for the Period of July 18, 2019 through September 30, 2019

The payment indicator for HCPCS code Q5107 (Injection, bevacizumab-awwb, biosimilar, (mvasi), 10 mg) for the period of July 18, 2019 through September 30, 2019 will be changed

retroactively from ASC PI = Y5 to APC PI = K2. Table 3 displays this drug.

Table 3. – Separately Payable Drug and Biological with Retroactive Payment Indicator Change for the Period of July 18, 2019 through September 30, 2019

HCPCS Code	Short Descriptor	Long Descriptor	Old ASC PI	New ASC PI
Q5107	Inj mvasi 10 mg	Injection, bevacizumab-awwb, biosimilar, (mvasi), 10 mg	Y5	K2

e. 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 at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Restated-Payment-Rates.html>.

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request MAC adjustment of the previously processed claims.

2. 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. MACs determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine when it is reasonable and necessary to treat the beneficiary's condition and whether to exclude it from payment.

ADDITIONAL INFORMATION

The official instruction, CR 11457, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4389CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
September 9, 2019	Initial article released.

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