



## April 2021 Update of the Ambulatory Surgical Center (ASC) Payment System

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Related Change Request (CR) Number: 12183

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Effective Date: April 1, 2021

Related CR Transmittal Number: R10702CP

Implementation Date: April 5, 2021

### PROVIDER TYPE AFFECTED

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This MLN Matters Article is for physicians, other providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

### PROVIDER ACTION NEEDED

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This article describes changes to and billing instructions for various payment policies CMS is making in the April 2021 Ambulatory Surgical Center (ASC) payment system update. CR 12183 also includes updates to HCPCS. Make sure that your billing staffs are aware of these changes.

### BACKGROUND

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CR 12183 includes Calendar Year (CY) 2021 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created CPT and Level II HCPCS codes. CMS will issue a revised January 2021 Ambulatory Surgical Center Fee Schedule (ASCFS) File, an April 2021 ASCFS File, an April 2021 ASC Payment Indicator (ASC PI) File, and an April 2021 ASC Drug File. We won't issue an April 2021 ASC Code Pair file with this update.

Following are the key points of CR 12183:

#### 1. Change to the Long Descriptor for HCPCS Code Descriptor for C9761 Effective October 1, 2020

Effective October 1, 2020, the long descriptor for HCPCS code C9761 has changed to (Cystourethroscopy, with ureteroscopy and/or pyeloscopy, with lithotripsy, and ureteral catheterization for steerable vacuum aspiration of the kidney, collecting system, ureter, bladder, and urethra if applicable). [Table 1 of CR 12183](#) lists the old and new long descriptor

and ASC payment indicator for the HCPCS code.

## 2. Therapeutic Intra-Vascular Ultrasound System (TIVUS™) for Pulmonary Artery Denervation in Patients with Pulmonary Arterial Hypertension

In the CY 2021 OPPTS/ASC final rule we published in the Federal Register on December 29, 2020, we stated that CPT code 0632T (Percutaneous transcatheter ultrasound ablation of nerves innervating the pulmonary arteries, including right heart catheterization, pulmonary artery angiography, and all imaging guidance), which was effective January 1, 2021, would be assigned to OPPTS status indicator “E1” to indicate that the code is not payable by Medicare because the clinical trial associated with the code hasn’t met Medicare’s standards for coverage (85 FR 85975). We assigned this code to ASC payment indicator “X5” to indicate that the code is an unsafe surgical procedure in the ASC and isn’t payable by Medicare. We note that CPT code 0632T describes the surgical procedure associated with the TIVUS System.

CMS approved the clinical study associated with the TIVUS System for Medicare coverage on November 19, 2020, as a Category B Investigational Device Exemption (IDE) study. Based on the IDE approval, CMS reassigned CPT code 0632T from ASC payment indicator “X5” to ASC payment indicator “J8” (Device-intensive procedure added to ASC list in CY 2008 or later; paid at adjusted rate), effective April 1, 2021. [Table 2 of CR 12183](#), lists the HCPCS code, long descriptor, short descriptor, and ASC payment indicator.

## 3. ASC Drugs and Biologicals

### a. New HCPCS Codes and Dosage Descriptors for Certain Drugs and Biologicals Receiving Separate ASC Payment Effective January 1, 2021

A new HCPCS code has been created for reporting drugs and biologicals in the ASC setting, where there haven’t been specific codes available previously. HCPCS Q5122 will receive separate payment effective January 1, 2021. The HCPCS code, descriptors, ASC payment indicator, and the effective date are in [Table 3 of CR 12183](#).

### b. Newly Established HCPCS Codes for Drugs and Biologicals

Seven (7) new drug and biological HCPCS codes will be established effective April 1, 2021. Six are being established where other codes previously existed. One did not have a previously existing code. The old codes are deleted effective March 31, 2021. The HCPCS codes, deleted codes, descriptors, and ASC payment indicators are in [Table 4 of CR 12183](#).

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

For CY 2021, payment for non-pass-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. In addition, in CY 2021, a single payment of ASP + 6 percent continues to be made for the 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 will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective April 1, 2021, can be found in the April 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 is accessible on the first date of the quarter.

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.

**4. CY2021 ASC Wage Index**

In the CY2021 OPPS/ASC final rule with comment period, we informed you that generally, the Office of Management and Budget (OMB) issues major revisions to statistical areas every 10 years, based on the results of the decennial census.

For CY 2021, the CY 2021 ASC wage indexes fully reflect the OMB labor market area delineations (including the revisions to the OMB labor market delineations discussed above, as set forth in OMB Bulletin Nos. 15–01 and 17–01). We note, in certain instances, there might be urban or rural areas for which there is no IPPS hospital that has wage index data that could be used to set the wage index for that area. For these areas, CMS policy has been to use the average of the wage indexes for Core-Based Statistical Areas (CBSAs) (or metropolitan divisions as applicable) that are contiguous to the area that has no wage index (where “contiguous” is defined as sharing a border). Please refer to page 86175 of the [CY2021 OPPS/ASC final rule](#) for more details.

OMB Bulletins No. 18–03 and No. 18–04 made a number of changes that are relevant to the ASC wage index. Most notably, there are 7 new CBSAs for CY 2021 that have replaced five CBSAs from CY 2020:

- CBSA 16974 - Chicago-Naperville-Arlington Heights, IL is replaced by CBSA 16984 Chicago-Naperville-Evanston
- CBSA 19830 - Dayton, OH is replaced by CBSA 19430 Dayton-Kettering, OH
- CBSA 20524 - Dutchess County-Putnam County, NY is replaced by CBSA 31900 Poughkeepsie-Newburgh-Middletown, NY
- CBSA 39140 - Prescott, AZ is replaced by CBSA 39150 Prescott Valley-Prescott, AZ

- CBSA 43524 - Silver Spring-Frederick-Rockville, MD is replaced by CBSA 23224 Frederick-Gaithersburg-Rockville, MD
- CBSA 49500 - Yauco, PR is a new CBSA created from four counties within CBSA 38660 Ponce, PR. The four counties that comprise CBSA 49500 Yauco, PR include: (FIPS county code 72055) Guanica, (FIPS county code 72059) Guayanilla, (FIPS county code 72111) Penuelas, and (FIPS county code 72055) Yauco
- CBSA 35154 - New Brunswick-Lakewood, NJ is a new CBSA created from three counties within CBSA 35614 New York-Jersey City-White Plains, NY and also from one county within CBSA 35084 Newark, NJ-PA. The four NJ counties that comprise CBSA 35154 New Brunswick-Lakewood, NJ include: (FIPS county code 34023) Middlesex, (FIPS county code 34025) Monmouth, (FIPS county code 34029) Ocean, and (FIPS county code 34035) Somerset.

Additionally, 106 counties were delineated into a different CBSA for CY 2021 and a number of CBSAs have revised names for CY 2021. A comprehensive list of all county-to-CBSA delineations, including the final changes described above, for CY 2021 are included in [Attachment B of CR 12183](#).

We didn't include these updates as part of the January 2021 ASCFS. However, the CBSA wage value changes associated with the above updates are effective January 1, 2021, by cross walking the new geographical area wage values to the existing CY 2020 CBSA assignments. The associated CBSA numerical assignment changes weren't updated with the wage value changes.

Suppliers who think that their payments may not have had the correct wage value change applied, may ask their MAC to adjust previously processed claims.

## 5. 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, but indicates only how we may pay for the product, procedure, or service Medicare covers 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 beneficiary's condition and whether it is excluded from payment.

## ADDITIONAL INFORMATION

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The official instruction, CR 12183, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10702cp.pdf>.

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

## DOCUMENT HISTORY

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Date of Change	Description
April 1, 2021	Initial article released.

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