

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12060	Date: May 25, 2023
	Change Request 13216

SUBJECT: July 2023 Update of the Ambulatory Surgical Center [ASC] Payment System

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to provide changes to and billing instructions for various payment policies implemented in the July 2023 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

EFFECTIVE DATE: July 1, 2023

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: July 3, 2023

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 12060	Date: May 25, 2023	Change Request: 13216
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SUBJECT: July 2023 Update of the Ambulatory Surgical Center [ASC] Payment System

EFFECTIVE DATE: July 1, 2023

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: July 3, 2023

I. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to provide changes to and billing instructions for various payment policies implemented in the July 2023 ASC payment system update. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Included in this transmittal are Calendar Year (CY) 2023 payment rates for separately payable procedures/services, drugs and biologicals, including descriptors for newly created Current Procedural Terminology (CPT) and Level II HCPCS codes. A July 2023 Ambulatory Surgical Center Payment Indicator (ASC PI) File, a July 2023 Ambulatory Surgical Center Drug File and a July 2023 Ambulatory Surgical Center Fee Schedule (ASC FS) File are being issued.

B. Policy: 1. New CPT Category III Codes Effective July 1, 2023

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 2023 update, CMS is implementing five new CPT codes in the ASC payment system effective July 1, 2023. The CPT codes, descriptors, and ASC PIs are included in Table 1 (see Attachment A: Policy Section Tables).

2. ASC PI Correction for CPT code 0698T Effective April 1, 2023

In the CY 2023 ASC April Addendum BB, CPT code 0698T was assigned ASC PI= N1 (Packaged service/item; no separate payment made.) The quantitative magnetic resonance for analysis of tissue composition (eg, fat, iron, water content), including multiparametric data acquisition, data preparation and transmission, interpretation and report, described by CPT code 0698T was approved for placement in an OPSS New Technology APC in March of 2023; but it was too late to include the changes in the April 2023 ASC update. We are including this change in the July 2023 ASC quarterly update and re-assigning CPT code 0698T to ASC PI=Z2 (Radiology service paid separately when provided integral to a surgical procedure on ASC list; payment based on OPSS relative payment weight.) retroactive to April 1, 2023. Table 2, attachment A, lists the short and long descriptors, and ASC PI. (see Attachment A: Policy Section Tables). The payment rates can be found in the July 2023 Addendum BB.

3. July 1, 2023 Implementation of ASC Multiple Procedure Reduction for Certain CPT Codes

We identified a technical error that delayed the implementation of multiple procedure discounting for certain CPT codes in limited scenarios when performed in the same operative session with certain HCPCS in the HCPCS C7500-C7555 range effective January 1, 2023. This delay was reflected in an inactive multiple procedure discounting assignment for certain CPT codes in the same HCPCS C7500-C7555 range on the April 2023 ASCFS. The technical error has been corrected and this policy is being implemented effective July 1, 2023 in the July 2023 ASCFS. The July 2023 quarterly addenda reflect the multiple procedure discounting CPT/HCPCS assignments effective July 1, 2023.

4. Expiring OPPS Pass-through Status for Device Category HCPCS Code C1748 Effective July 1, 2023

As specified in section 1833(t)(6)(B) of the Social Security Act, under the OPPS, categories of devices are eligible for transitional pass-through payments for at least two (2), but not more than three (3) years. This policy is also implemented in the ASC payment system. We note that the device category HCPCS code C1748 will remain active, however, its payment will be included in the primary service beginning July 1, 2023. The payment indicator for HCPCS C1748 will change from ASCPI=J7 to ASCPI=N1 effective July 1, 2023.

As a reminder ASCs do not bill packaged codes.

5. Drugs, Biologicals, and Radiopharmaceuticals

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

Forty-five new drug and biological HCPCS codes are established effective July 1, 2023. Of the forty-five codes, twenty are separately payable under the ASC payment system. These HCPCS codes, as well as the descriptors and ASC PIs, are listed in Table 3 (see Attachment A: Policy Section Tables).

The HCPCS codes identified in the old HCPCS code column are deleted effective June 30, 2023.

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

For CY 2023, in the ASC payment system, payment for nonpass-through drugs and biologicals continues to be made at a single rate of ASP + 6 percent, (or ASP plus 6 or 8 percent of the reference product for biosimilars), which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug or biological. In addition, in the ASC payment system, a single payment of ASP + 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. 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 July 1, 2023, can be found in the July 2023 update of ASC Addendum BB on the CMS website at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html

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 CMS website 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 contractor adjustment of the previously processed claims.

6. Skin Substitutes

The payment for skin substitute products that do not qualify for hospital OPPS pass-through status are packaged into the OPPS 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 two groups: 1) high cost skin substitute products and 2) low cost skin substitute products for packaging purposes. High cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by CPT codes 15271-15278. Low cost skin substitute products should only be utilized in combination with the performance of one of the skin application procedures described by HCPCS codes C5271-C5278. All OPPS pass-through skin substitute products (ASC PI=K2) should be billed in combination with one of the skin application procedures described by CPT codes 15271-15278. New skin substitute HCPCS codes are assigned into the low-cost skin substitute group unless CMS has 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 Effective April 1, 2023, that Were Not Previously Reported

There were three new skin substitute HCPCS codes that were active as of April 1, 2023 but did not get included in the April 2023 quarterly update to the ASC payment system CR. These codes are listed in Table 4, (see Attachment A: Policy Section Tables).

b. Additional New Skin Substitute Products as of July 1, 2023

There are twelve new skin substitute HCPCS codes that will be active as of July 1, 2023. These codes are listed in Table 5, (see Attachment A: Policy Section Tables).

ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

7. 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. Medicare Administrative Contractors (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.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								Other
		A/B MAC		D M E M A C	Shared- System Maintainers					
		A	B		F I S S	M C S	V M S	C W F		
13216.1	<p>Medicare contractors shall download the July 2023 ASC Fee Schedule (FS) from the CMS mainframe.</p> <p>FILENAME: MU00.@BF12390.ASC.CY23.FS.JULA.V0602</p> <p>The July 2023 ASCFS is a full update.</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC
13216.2	<p>Medicare contractors shall download and install the July 2023 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY23.DRUG.JULA.V0616</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC
13216.3	<p>Medicare contractors shall download and install the July 2023 ASC Payment Indicator (PI) file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY23.PI.JULA.V0609</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC
13216.4	<p>Contractors and Common Working File (CWF) shall add Type of Service (TOS) F, for HCPCS 0698T, included in attachment A table 2, effective for services</p>		X						X	

Number	Requirement	Responsibility								Other
		A/B MAC		D M E M A C	Shared- System Maintainers					
		A	B		H H H	F I S S	M C S	V M S	C W F	
	April 1, 2023 and later payable in the ASC setting.									
13216.5	Contractors and Common Working File (CWF) shall add Type of Service (TOS) F, as appropriate, for HCPCS included in attachment A, table 1 and 3 effective for services July 1, 2023 and later payable in the ASC setting.		X							X
13216.6	Contractors and CWF, as appropriate, shall end date as appropriate, HCPCS included in table 3 attachment A in their systems, effective June 30, 2023.		X							X
13216.7	CWF, as appropriate, shall remove the TOS F records for the HCPCS included in table 3 attachment A, and HCPCS C1834, effective March 31, 2023.									X
13216.8	If released by CMS, Medicare contractors shall download and install the revised April 2023 ASC DRUG file. FILENAME: MU00.@BF12390.ASC.CY23.DRUG.APRB.V0616 NOTE: Date of retrieval will be provided in a separate email communication from CMS.		X							VDC
13216.8.1	Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service April 1, 2023 - June 30, 2023 and; 2) Were originally processed prior to the installation of the revised April 2023 ASC DRUG File.		X							

Number	Requirement	Responsibility								Other
		A/B MAC		D M E M A C	Shared- System Maintainers					
		A	B		H H H	F I S S	M C S	V M S	C W F	
13216.11	<p>If released by CMS, Medicare contractors shall download and install the revised July 2022 ASC DRUG file.</p> <p>FILENAME: MU00.@BF12390.ASC.CY22.DRUG.JULE.V0616</p> <p>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</p>		X							VDC
13216.11.1	<p>Medicare contractors shall adjust as appropriate claims brought to their attention that:</p> <p>1) Have dates of service July 1, 2022 - October 31, 2022 and;</p> <p>2) Were originally processed prior to the installation of the revised July 2022 ASC DRUG File.</p>		X							
13216.12	Contractors shall make July 2023 ASCFS fee data for their ASC payment localities available on their web sites.		X							
13216.13	Contractors shall notify CMS of successful receipt via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received, (e.g., CLAB, ASP, etc.) and the entity for which it was received (i.e., include states, carrier numbers, quarter, and if Part A, Part B, or both).		X							VDC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
13216.14	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.		X			

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
4-7	Attachment A: Policy Section Tables

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Chuck Braver, chuck.braver@cms.hhs.gov (ASC Payment Policy) , Yvette Cousar, yvette.cousar@cms.hhs.gov (B MAC Claims Processing Issues)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and

immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 1

Attachment A – Tables for the Policy Section
Table 1. – New CPT Category III Codes Effective July 1, 2023

CPT Code	Short Descriptor	Long Descriptor	ASC PI
0793T	Prq tcat thrm ablt nrv p-art	Percutaneous transcatheter thermal ablation of nerves innervating the pulmonary arteries, including right heart catheterization, pulmonary artery angiography, and all imaging guidance	J8
0797T	Tcat ins 2chmbr ldls pm rv	Transcatheter insertion of permanent dual-chamber leadless pacemaker, including imaging guidance (eg, fluoroscopy, venous ultrasound, right atrial angiography, right ventriculography, femoral venography) and device evaluation (eg, interrogation or programming), when performed; right ventricular pacemaker component (when part of a dual-chamber leadless pacemaker system)	J8
0800T	Tcat rmvl 2chmbr ldls pm rv	Transcatheter removal of permanent dual-chamber leadless pacemaker, including imaging guidance (eg, fluoroscopy, venous ultrasound, right atrial angiography, right ventriculography, femoral venography), when performed; right ventricular pacemaker component (when part of a dual-chamber leadless pacemaker system)	J8
0803T	Tcat rmv&rpl2chmb ldls pm rv	Transcatheter removal and replacement of permanent dual-chamber leadless pacemaker, including imaging guidance (eg, fluoroscopy, venous ultrasound, right atrial angiography, right ventriculography, femoral venography) and device evaluation (eg, interrogation or programming), when performed; right ventricular pacemaker component (when part of a dual-chamber leadless pacemaker system)	J8

0809T	Arthrd si jt prq tfx&implt	Arthrodesis, sacroiliac joint, percutaneous or minimally invasive (indirect visualization), with image guidance, placement of transfixing device(s) and intraarticular implant(s), including allograft or synthetic device(s)	J8
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Table 2. — ASC PI Correction for CPT code 0698T Effective April 1, 2023

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
0698T	Quan mr tiss w/mri mlt orgn	Quantitative magnetic resonance for analysis of tissue composition (eg, fat, iron, water content), including multiparametric data acquisition, data preparation and transmission, interpretation and report, obtained with diagnostic mri examination of the same anatomy (eg, organ, gland, tissue, target structure); multiple organs (list separately in addition to code for primary procedure)	Z2

Table 3. — Newly Established HCPCS Codes for Drugs and Biologicals effective July 1, 2023

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
C9151	N/A	Inj, pegcetacoplan 1 mg	Injection, pegcetacoplan, 1 mg	K2
J1440	N/A	Fecal microbiota jslm 1 ml	Fecal microbiota, live - jslm, 1 ml	K2
J1576	N/A	inj, panzyga, 500 mg	Injection, immune globulin (panzyga), intravenous, non-lyophilized (e.g., liquid), 500 mg	K2
J1961	N/A	Inj, lenacapavir, 1 mg	Injection, lenacapavir, 1 mg	K2
J2329	N/A	Inj ublituximab-xiyy, 1 mg	Injection, ublituximab-xiyy, 1mg	K2
J2427	N/A	Inj, invega hafyera/trinza	Injection, paliperidone palmitate extended release (invega hafyera, or invega trinza), 1 mg	K2
J7213	N/A	Inj, ixinity, 1 i.u.	Injection, coagulation factor ix (recombinant), ixinity, 1 i.u.	K2
J9056	N/A	Inj, bendamustine, 1 mg	Injection, bendamustine hydrochloride (vivimusta), 1 mg	K2
J9058	N/A	Inj apotex/bendamustine 1 mg	Injection, bendamustine hydrochloride (apotex), 1 mg	K2
J9059	N/A	Inj bendamustine, baxter 1mg	Injection, bendamustine hydrochloride (baxter), 1 mg	K2

New HCPCS Code	Old HCPCS Code	Short Descriptor	Long Descriptor	ASC PI
J9063	C9146	Inj, elahere, 1 mg	Injection, mirvetuximab soravtansine-gynx, 1 mg	K2
J9259	N/A	Paclitaxel (american regent)	Injection, paclitaxel protein-bound particles (american regent) not therapeutically equivalent to j9264, 1 mg	K2
J9321	N/A	Inj pemetrexed (sandoz) 10mg	Injection, pemetrexed (sandoz) not therapeutically equivalent to J9305, 10 mg	K2
J9322	N/A	Inj pemetrexed (bluepoint)	Injection, pemetrexed (bluepoint) not therapeutically equivalent to J9305, 10 mg	K2
J9323	N/A	Inj, pemetrexed (hospira) 10	Injection, pemetrexed (hospira) not therapeutically equivalent to j9305, 10 mg	K2
J9347	C9147	Inj, tremelimumab-actl, 1 mg	Injection, tremelimumab-actl, 1 mg	K2
J9350	N/A	Inj mosunetuzumab-axgb, 1 mg	Injection, mosunetuzumab-axgb, 1 mg	K2
J9380	C9148	Inj teclistamab cqyv 0.5 mg	Injection, teclistamab-cqyv, 0.5 mg	K2
J9381	C9149	Inj teplizumab mzwv 5 mcg	Injection, teplizumab-mzwv, 5 mcg	K2
Q5129	N/A	Inj, vegzelma, 10 mg	Injection, bevacizumab-adcd (vegzelma), biosimilar, 10 mg	K2

Table 4. – New Skin Substitute Products Effective April 1, 2023, that Were Not Previously Reported

HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
A2019	Kerecis marigen shld sq cm	N1	High
A2020	Ac5 wound system	N1	High
A2021	Neomatrix per sq cm	N1	High

Note: ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.

Table 5 – Additional New Skin Substitute Products Effective July 1, 2023

HCPCS Code	Short Descriptor	ASC PI	Low/High Cost Skin Substitute
Q4272	Esano a, per sq cm	N1	High
Q4273	Esano aaa, per sq cm	N1	High
Q4274	Esano ac, per sq cm	N1	High

Q4275	Esano aca, per sq cm	N1	High
Q4276	Orion, per sq cm	N1	High
Q4277	Woundplus e-grat, per sq cm	N1	High
Q4278	Epieffect, per sq cm	N1	High
Q4280	Xcell amnio matrix per sq cm	N1	High
Q4281	Barrera slor dl per sq cm	N1	High
Q4282	Cygnus dual per sq cm	N1	High
Q4283	Biovance tri or 3l, sq cm	N1	High
Q4284	Dermabind sl, per sq cm	N1	High

Note: ASCs should not separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes are not reportable under the ASC payment system.