
CMS Manual System

Pub. 100-01 Medicare General Information, Eligibility, and Entitlement

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Transmittal 11

Date: OCTOBER 22, 2004

CHANGE REQUEST 3471

SUBJECT: Manual Revision Regarding Waiver of Annual Deductible and Coinsurance for Both ASC Facility, and ASC/Hospital Outpatient Department Physician Services

I. SUMMARY OF CHANGES: This Change Request deletes outdated information related to the waiver of beneficiary coinsurance and deductibles for ASC facility services and for certain physicians services furnished in a hospital outpatient department and ASC.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: November 22, 2004
IMPLEMENTATION DATE: November 22, 2004

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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: (R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	3/20.4/Exceptions to Annual Deductible and Coinsurance

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

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

Attachment - One-Time Notification

Pub. 100-01	Transmittal: 11	Date: October 22, 2004	Change Request: 3471
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SUBJECT: Manual Revision Regarding Waiver of Annual Deductible and Coinsurance for Both ASC Facility, and ASC/Hospital Outpatient Department Physician Services

I. GENERAL INFORMATION

A. Background: Section 9343(e) of the Omnibus Budget Reconciliation Act (OBRA) of 1986, (Public Law 99-509) as amended by section 4085(i)(21)(D) of OBRA 1987, rescinded the waiver of the Medicare Part B coinsurance and deductible requirements for ASC facility services. OBRA 1986 did not specify an effective date for this provision, but on the basis of congressional advice, we determined that the intent was to make the provision effective for services furnished on or after July 1, 1987.

Section 4054 of OBRA 1987 (Public Law 100-203) imposed the Medicare Part B coinsurance and deductible requirements on physician services furnished in connection with an ASC covered procedure, performed in an ambulatory setting, effective April 1, 1998.

This notification corrects Pub 100-01, chapter 3, section 20.4 to reflect the OBRA 1986 & 1987 changes.

B. Policy: On or after July 1, 1987, for procedures on the ASC list furnished to beneficiaries in an ASC, the Medicare program pays 80% of the applicable ASC fee schedule amount for ASC facility services. After the beneficiary's deductible is met, the beneficiary is responsible for 20% of the applicable ASC fee schedule amount for ASC facility services.

On or after April 1, 1988, for inpatient hospital radiology or pathology services billed by a physician accepting assignment, and for physician services furnished in connection with an ASC covered procedure, performed in an ASC or in a hospital on an outpatient basis, the Medicare program pays 80% of the applicable physician fee schedule amount. After the beneficiary's deductible is met, the beneficiary is responsible for 20% of the applicable physician fee schedule amount.

C. Provider Education: A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn

Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3471.1	Carriers shall ensure that Medicare is paying ASCs in accordance with CMS Pub. 100-01, chapter 3, section 20, as corrected by this notification.	Local Part B Carriers
3471.2	Carriers shall ensure that Medicare is paying physicians in accordance with CMS Pub. 100-01, chapter 3, section 20, as corrected by this notification.	Local Part B Carriers

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: November 22, 2004</p> <p>Implementation Date: November 22, 2004</p> <p>Pre-Implementation Contacts: For policy, Chuck Braver (410) 786-6719; for claims processing, Yvette Cousar (410) 786-2160</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>These instructions shall be implemented within your current operating budget.</p>
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20.4 - Exceptions to Annual Deductible and Coinsurance

(Rev. 11, Issued: 10-22-04, Effective: 11-22-04, Implementation: 11-22-04)

There is no deductible for screening mammography effective for services January 1, 1998 and later.

Neither the annual deductible nor the 20 percent coinsurance apply with respect to:

- Parts A and B home health services, except that there is a coinsurance of 20 percent of the payment amount for supplies, drugs, DME and prosthetics /orthotics furnished as a home health benefit;
- Clinical diagnostic laboratory tests (including specimen collection fees) performed or supervised by a physician, laboratory, or other entity paid on an assigned basis;
- Pneumococcal vaccine and its administration;
- Influenza vaccine and its administration; and
- Services or items denied as medically unnecessary.

NOTE: Services which are not subject to the deductible cannot be used to satisfy the deductible.