

<b>CMS Manual System</b>	Department of Health & Human Services (DHHS)
<b>Pub 100-04 Medicare Claims Processing</b>	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1134	Date: DECEMBER 20, 2006
	Change Request 5211

**NOTE:** Transmittal 1013, Change Request 5211, dated July 28, 2006, is being rescinded and replaced by Transmittal 1134, dated December 20, 2006. The hyperlink in Attachment A of the Business Requirements was inadvertently omitted. All other material remains the same.

**NOTE:** This instruction is being re-communicated. The attached instruction was previously communicated as sensitive. This instruction is no longer sensitive and may be posted to the Intranet/Internet.

**SUBJECT:** Update of HCPCS Codes and Payments for Ambulatory Surgical Centers (ASCs) and File Names, Descriptions and Instructions for Retrieving the 2007 ASC HCPCS Additions, Deletions and Master Listing

**I. SUMMARY OF CHANGES:** This CR updates the 2007 HCPCS codes and payment rates to ASCs effective January 1, 2007, and provides contractor download instructions to access the files related to these updates.

**NEW/REVISED MATERIAL**

**EFFECTIVE DATE: JANUARY 1, 2007**

**IMPLEMENTATION DATE: JANUARY 2, 2007**

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

**III. FUNDING:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**One-Time Notification**

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

# Attachment – One Time Notification

Pub. 100-04	Transmittal: 1134	Date: December 20, 2006	Change Request 5211
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**NOTE: Transmittal 1013, Change Request 5211, dated July 28, 2006, is being rescinded and replaced by Transmittal 1134, dated December 20, 2006. The hyperlink in Attachment A of the Business Requirements was inadvertently omitted. All other material remains the same.**

**NOTE: This instruction is being re-communicated. The attached instruction was previously communicated as sensitive. This instruction is no longer sensitive and may be posted to the Intranet/Internet.**

**SUBJECT: Update of HCPCS Codes and Payments for Ambulatory Surgical Centers (ASCs) and File Names, Descriptions and Instructions for Retrieving the 2007 ASC HCPCS Additions, Deletions and Master Listing**

## **I. GENERAL INFORMATION**

**A. Background:** Section 5103 of the Deficit Reduction Act of 2005 (DRA) limits ASC payments to the lesser of the Medicare hospital Outpatient Prospective Payment System (OPPS) payment amount or the ASC payment amount for services furnished on or after January 1, 2007. Also, §1833(i)(1) of the Social Security Act requires that the list of payable ASC procedures be updated as least every 2 years.

In order to make the DRA requirement operational, we have to revise the manner in which we define ASC payment groups. We are expanding the number of ASC payment groups that are currently used by contractors to identify ASC payment amounts for individual HCPCS codes. We are doing this to accommodate the new payment amounts that will be assigned to ASC services in calendar year (CY) 2007 under the DRA requirement. The ASC payment groups will now be called ASC PRICER groups. The additional ASC PRICER Groups reflect the DRA-driven payment amounts which will be included in the ASC PRICER files that carriers, and certain intermediaries, can use to process ASC facility claims.

We are also implementing the biennial update of the ASC list required under the statute. This update of the ASC list includes changes made by the American Medical Association for the CY 2007 Common Procedural Terminology.

Final ASC payment rates cannot be established until after publication of the OPPS final rule; therefore, the final ASC list of HCPCS codes and their corresponding payment rates will not be available until around late October 2006. Consequently, this transmittal includes an attachment of the file layout and a sample/test file which contractors can use to develop and test their systems.

The final file of HCPCS and payment rates will be available for download around late October 2006. CMS will notify carriers by way of e-mail when the final files are available for download.

This transmittal includes payment file retrieval instructions for contractors via the CMS Mainframe Telecommunications System that can be used to access the final payment files on or after the specified retrieval date provided in CMS's notification. CMS' Division of Data Systems will release the files listed

below in the business requirements. This instruction provides contractors with file names and retrieval instructions.

Rather than posting HCPCS payment amounts, payment formulas, and wage indices for all MSAs, contractors may provide on their Web sites those payment variables that are relevant to the ASCs in their jurisdiction with instructions regarding how to wage adjust the national ASC payment rates.

The code change update will be published as part of the OPPS final rule in the “Federal Register.” Shortly, after publication a link to this rule will be available on the CMS website at:  
<http://www.cms.hhs.gov/center/asc.asp>

There is a separate mainframe “All” datafile for testing purposes that reflects the type of changes contractors should expect in the final ASC list of payable codes. Contractor files should be updated with the final “additions”, “deletions”, and “all” datafiles, which will be available around late October 2006. These changes shall not be publicized until after the publication of the AMA's 2007 CPT-4 codes which usually occurs by the first of November.

Contractors shall continue to use the current wage index values to calculate payment amounts for all type of service F Healthcare Common Procedural Coding System (HCPCS) codes until further notice (reference transmittal 51 dated February 4, 2004).

There will also be a change to the HCPCS file beginning with CY 2007. The ASC 2-digit payment group code designation next to the ASC-approved HCPCS codes, will be replaced with a “yy” designation for these codes. The “yy” designation will be defined as “the procedure is approved to be performed in an ambulatory surgical center”. The definition of the ASC field will also be updated on the HCPCS file layout page. We do not believe that the (NT)IOL procedures contained wholly and exclusively in current ASC payment groups 6 & 8 will be affected by the DRA. For 2007, CMS plans on retaining the current population and payment amounts of HCPCS codes in groups 6 and 8, including the additional (NT)IOL payment. CMS also plans on limiting these two payment groups to just the IOL procedures. Any other HCPCS that have the same payment amount as the IOL procedure, as a result of the DRA reduction, will be placed into a separate ASC Pricer group.

### **ASC Pricer Changes**

The following modifications will be made to the ASC Pricer in response to the DRA:

- 1) Pricer Groups - While the HCPCS file is expanding to a 2-digit payment group code, the ASC Pricer will be expanding the ASC Pricer Group field to three bytes to accommodate any future expansion of the field, should it ever exceed 99 ASC Pricer Groups.
- 2) Payment Amount – The payment amount field in the ASC Pricer will be expanded from four-bytes to seven-bytes.
- 3) CBSA – A five-byte Core-Based Statistical Area (CBSA) field will be created in the ASC Pricer to allow for an expected future conversion from MSAs to CBSAs.

The linkage section in the ASC Pricer will be revised accordingly based on the above changes.

**NOTE:** The personal computer version of the non-OPPS Outpatient Code Editor (OCE) will also be expanding the ASC Payment Group field accordingly in the January 2007 version of the software. The mainframe version of the non-OPPS OCE does not have ASC payment groups as an element; thus, the mainframe version of the software does not need to be modified to accommodate the expansion of the ASC Payment Groups. (Although the term “ASC payment group” will be termed “ASC Pricer Group” starting January 1, 2007, the non-OPPS OCE will continue to refer to the groups as an “ASC Payment group”.)

Retrieval instructions to download the test version of the ASC Pricer can be expected by September 1, 2006 through email notification. Once the OPSS final rule is published (as explained above), CMS will provide retrieval instructions through email notification in order to download the final version of the ASC Pricer.

**B. Policy:** The code change update reflecting the biennial update and the DRA reductions will be published as part of the 2006 OPSS final rule in the “Federal Register”. This rule, when published, will be available on the CMS Web site at: <http://www.cms.hhs.gov/center/asc.asp>

Separate mainframe “additions”, “deletions”, and “All” datafiles that reflect these changes will be made available to contractors. Contractor files should be updated to reflect these changes.

**II. BUSINESS REQUIREMENTS**

*“Shall” denotes a mandatory requirement*  
*“Should” denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
5211.1	The contractor shall download from the CMS data mover the sample/test file of ASC HCPCS codes and payment rates to develop and test their systems <a href="http://MU00.@BF12390.ASC.CY07.ALL.TEST">MU00.@BF12390.ASC.CY07.ALL.TEST</a>  <b>This Test file is available immediately.</b>	X		X					
5211.2	The contractor shall use this file name to download HCPCS codes and payment rates from the CMS data mover that are added to the ASC list effective January 1, 2007. <a href="http://MU00.@BF12390.ASC.CY07.ADDS">MU00.@BF12390.ASC.CY07.ADDS</a>	X		X					

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	<b>Date of retrieval will be provided in separate email communication from CMS.</b>									
5211.3	The contractor shall use this file name to download HCPCS codes from the CMS data mover that are deleted from the ASC list effective January 1, 2007. <a href="#">MU00.@BF12390.ASC.CY07.DELETES</a>  <b>Date of retrieval will be provided in separate email communication from CMS.</b>	X		X						
5211.4	The contractor shall use this file name to download HCPCS codes and payment rates from the CMS data mover to obtain the complete master listing of ASC codes and payment rates that are effective January 1, 2007. <a href="#">MU00.@BF12390.ASC.CY07.ALL</a>  <b>Date of retrieval will be provided in separate email communication from CMS.</b>	X		X						
5211.5	Contractors and CWF shall note the change on the HCPCS file from the 2-digit ASC group designation to “yy” as a designator for all approved Medicare ASC services	X		X					X	
5211.6	The contractors and CWF shall apply type of service code <u>F</u> to the applicable codes			X					X	
5211.7	Contractors shall continue to use the current wage index values to calculate payment amounts for all type of service F HCPCS codes (reference transmittal 51 dated February 4, 2004).	X		X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
5211.8	Contractors shall load the ASC Pricer software when it becomes available.  <b>NOTE:</b> CMS will provide retrieval instructions through email notification for FIs to download the final version of the January 2007 ASC Pricer.	X				X				
5211.8.1	Contractors shall modify their system to accommodate the revised linkage section in the ASC Pricer.	X				X				

### III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
5211.9	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles">www.cms.hhs.gov/MLNMattersArticles</a> shortly after the CR is released. You will receive notification of the article release via the established 'MLN 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 shall be included in your next	X		X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	regularly scheduled bulletin and incorporated into any educational events on this topic.  Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.								
5211.10	Carriers may publish the payment formula, the HCPCS ALL list and/or a link to the ALL file on the CMS Web site, and providers would then use this information to determine payment rates for ASCs in their jurisdictions	X		X					

#### IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

##### A. Other Instructions:

X-Ref Requirement #	Instructions
5211.8.1	<p>LINKAGE SECTION.</p> <p>01 L-DATA.</p> <p>03 L-PROVIDER-STATE PIC X(2).</p> <p>03 L-FROM-DATE PIC X(8).</p> <p>03 L-MSA-LUGAR.</p> <p>05 L-MSA-CODE PIC X(4).</p> <p>05 L-LUGAR-CODE PIC X(1).</p> <p>03 L-CBSA-CODE PIC X(5).</p> <p>03 L-ASC-VERSION PIC X(8).</p> <p>03 L-ASC-RETURN-CODE PIC X(4).</p> <p>03 L-ASC-WAGE-INDEX PIC 9(1)V9(4).</p> <p>03 L-ASC-TOTAL-PRICE PIC 9(7)V9(2).</p> <p>03 L-SERVICE-LINE-CT PIC 9(3).</p> <p>03 L-SERVICE-LINE</p> <p>OCCURS 0 TO 999 TIMES</p> <p>DEPENDING ON L-SERVICE-LINE-CT.</p> <p>05 L-REVENUE-CODE PIC X(4).</p>

	05 L-ASC-REVCODE-TYPE	PIC X(1).
	05 L-HCPCS-CODE	PIC X(5).
	05 L-HCPCS-MODS	PIC X(10).
	05 L-ASC-HCPCS-TYPE	PIC X(1).
	05 L-ASC-GROUP	PIC X(3).
	05 L-ASC-GROUP-AMT	PIC X(7).
	05 L-ASC-PCT	PIC X(1).
	05 L-ASC-ADJ-LABOR	PIC X(8).
	05 L-ASC-UNADJ-NONLABOR	PIC X(8).
	05 L-ASC-ADJ-PRICE	PIC X(7).

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces:** Those intermediaries that process bills from hospitals not subject to the Outpatient Prospective Payment System shall load the ASC PRICER software.

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

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. Attachment(s):** Three; Attachment A – ASC List of Approved Procedures HCPCS Code Changes (additions/deletions) for January 1, 2007, Attachment B - ASC Record Layout, and Attachment C - Instructions for Receiving 2007 Ambulatory Surgical Center (ASC) HCPCS Code Changes via CMS' Mainframe Telecommunications System.

**VI. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2007  <b>Implementation Date:</b> January 2, 2007</p> <p><b>Pre-Implementation Contact(s):</b>  Chuck Braver for coding and/or payment issues at (410)786-6719 or <a href="mailto:chuck.braver@cms.hhs.gov">chuck.braver@cms.hhs.gov</a> ;  Yvette Cousar for carrier claims processing at (410) 786-2160 or <a href="mailto:yvette.cousar@cms.hhs.gov">yvette.cousar@cms.hhs.gov</a> ;  Joey Bryson for FI claims processing at (410) 786-2986 or <a href="mailto:joey.bryson@cms.hhs.gov">joey.bryson@cms.hhs.gov</a></p> <p><b>Post-Implementation Contact(s):</b>  Appropriate regional office</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</b></p>
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**3 Attachments**

**ATTACHMENT A**

**ASC List of Approved Procedures HCPCS Code Changes (deletions/additions)  
for January 1, 2007**

**Effective for services performed on or after January 1, 2007**

Open the file titled "2007 ASC Approved HCPCS Codes and Payment Rates" in the downloads section at:  
[http://www.cms.hhs.gov/ASCPayment/01\\_Overview.asp](http://www.cms.hhs.gov/ASCPayment/01_Overview.asp)

## ASC Record Layout

(for 1/1/2007 update)

<u>Field Name</u>	<u>Positions</u>	<u>Length</u>
HCPCS	1-5	5
Short Desc	9-36	28
Pricer Group	42-43	2
Payment Amount	53-59	5.2 (\$\$\$\$\$cc)

**INSTRUCTIONS FOR RECEIVING  
2007 AMBULATORY SURGICAL CENTER (ASC) HCPCS  
CODE DELETIONS/ADDITIONS AND MASTER LISTING  
VIA CMS' MAINFRAME TELECOMMUNICATIONS SYSTEM**

Listed below are instructions for receiving the 2007 ASC Code HCPCS deletions/additions and master listing along with their respective payment groups via the CMS mainframe telecommunications system. In order not to incur additional transmission cost, transmission must occur during the evening hours, specifically after 8:00 P.M. Eastern Standard Time (EST). Listed below are the most common problems encountered when carriers/intermediaries receive data via the CMS mainframe telecommunications system:

- o Omission or change of NEWNAME parameter. Omission of this parameter makes it extremely difficult and cumbersome for CMS to access CMTS log to verify transmission success/failure. See the following NEWNAME parameters:
  
- o Omission or change of STARTT parameter. This parameter establishes the starting time for the batch job. As stated earlier, transmission must occur during the evening hours. Setting the STARTT to 20:00:00 hours assures that transmission will not commence prior to 8:00 PM EST.

The following is the JCL required for setting up a CMTS transmission of the 2007 Part B Pricing Files file from the CMS Data Center.

```
*****
//UID#DMEP JOB (ACCTNG),NAME',MSGCLASS=A,CLASS=C,
// MSGLEVEL=(1,1)
//DMBATCH EXEC PGM=DMBATCH,REGION=512K,PARM=(YYSLYNN)
//DMPUBLIB DD DSN= NDM.PROCESS.LIBRARY,DISP=SHR
//DMMSGFIL DD DSN= NDM.MESSAGE.LIBRARY,DISP=SHR
//DMNETMAP DD DSN= NDM.NETWORK.MAP,DISP=SHR
//DMPRINT DD SYSOUT=*
//NDMCMDS DD SYSOUT=*
//SYSUDUMP DD SYSOUT=*
//SYSPRINT DD SYSOUT=*
//SYSIN DD *
SIGNON USERID=(NDM USERID) -
NODE= NDM NODE ID -
NETMAP= NDM NETWORK MAP
SUBMIT DSN= PROCESS LIBRARY MEMBER -
STARTT=(,20:00:00) -
NEWNAME=ASC
SIGNOFF
/*
```

//  
\*\*\*\*\*  
Prior to submitting this job, supply the following parameters particular to your job site:  
**UID#** = Your system User-ID  
**ACCTNG** = Accounting Information, if applicable  
**NAME** = Programmer's Name  
**NDM.PROCESS.LIBRARY** = NDM Process Library for your system  
**NDM.MESSAGE.LIBRARY** = NDM Message Library for your system  
**NDM.NETWORK.MAP** = NDM Network Map File for your system  
**NDM USERID** = NDM Userid for your system  
**NDM NODE** = NDM Node ID for your system  
**PROCESS LIBRARY MEMBER** = Member where the code for the NDM COPY (see next page) is stored