Dear Physicians and Practitioners,

Per Change Request 7010, the ambulatory surgical center (ASC) payment rates under the ASC payment system have been amended to reflect retroactive provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files retroactive to January 1, 2010. The revised ASC payment files have been created and are now available. These changes are retroactive to January 1, 2010. Anthem will adjust claims brought to their attention.

Thank you,
Senior Provider Outreach

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News Flash – The Centers for Medicare & Medicaid Services (CMS) has released MLN Matters Special Edition Article #SE1017 to assist all providers that will be affected by Medicare Administrative Contractor (MAC) implementations, or DME MAC transitions due to re-competing DME MAC Contracts. This article updates material contained in MLN Matters Article #SE0837, which was originally issued in November 2008, to reflect current experiences with transitions to a MAC. For more details, please read the article at [http://www.cms.gov/MLNMattersArticles/downloads/SE1017.pdf](http://www.cms.gov/MLNMattersArticles/downloads/SE1017.pdf) on the CMS website.

MLN Matters® Number: MM7010  
Related Change Request (CR) #: 7010  
Related CR Release Date: May 28, 2010  
Effective Date: January 1, 2010  
Related CR Transmittal #: R711OTN  
Implementation Date: June 21, 2010

Revised Payment Files for the 2010 Ambulatory Surgical Center Payment System

Provider Types Affected

Ambulatory Surgical Centers (ASC) submitting claims to Medicare contractors (carriers and Part A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries are affected.

Provider Action Needed

This article is based on CR 7010, which amends those payment files used to pay ASC claims to reflect retroactive provisions of the Affordable Care Act (ACA). Because the ACA payment adjustments are retroactive to January 1, 2010, your Medicare contractor will adjust claims you bring to their attention with dates of service on or after January 1, 2010, that are/were processed before the new payment files are in place. Be sure your billing staffs know of this change.

Background

Many ASC payment rates under the ASC payment system are established using payment rate information in the Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS). CR 7010 directs Medicare contractors to amend payment files to reflect retroactive changes to the calendar year (CY) 2010 OPPS and MPFS payment rates.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2009 American Medical Association.
CR 7010 also amends those payment files to include changes to the MPFS payment amounts as a result of practice expense (PE) and malpractice relative value unit (RVU) corrections. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files, retroactive to January 1, 2010.

Medicare contractors will begin to pay claims using these new files no later than 3 weeks from the date of issuance of this instruction. Contractors will disclose the new January 2010 ASC payment rates on their websites as soon as possible, but no later than 2 weeks from the date that the files are available for contractors to download. In addition, contractors will notify providers via their website that the new fees are effective retroactive to January 1, 2010.

Contractors are not required to reprocess ASC claims, but will adjust claims brought to their attention. Contractors will not perform mass adjustments for claims affected by changes in this instruction. Contractors will continue all routine functions, such as redeterminations, re-openings, and appeals.

**Key Changes of CR 7010**

**Affordable Care Act Changes to the OPPS**

The ACA changed the CY 2010 market basket update to the conversion factor and wage index values for certain hospitals. Due to budget neutrality, these changes effectively change the CY 2010 OPPS payment amount for most Ambulatory Payment Classes (APCs). The ASC payment system uses the OPPS payment amounts in the payment methodology for “office-based” surgical procedures and ancillary radiology services. Further, ASC payment for device-intensive services is established by including the device portion for the OPPS payment, and this amount is based on the revised OPPS payment amount.

**Affordable Care Act Changes to the MPFS**

As discussed in CR 6973, Section 3111 of the ACA changed several aspects of the MPFS. Of these changes, only changes to the non-facility PE RVUs for bone density tests are ancillary radiology services under the ASC Payment System. The ASC payment system uses the MPFS non facility PE payment in the payment methodology for ancillary radiology services.

**Corrections to MPFS CY 2010 Payment**

The revised payment files issued also reflect corrections and revisions to certain PE and malpractice MPFS RVU’s, including the non-facility PE RVUs included in the ASC payment system, as discussed in CR 6973. The MLN Matters® article related to CR 6973 is available at

**Additional Information**

If you have questions, please contact your Medicare carrier and/or MAC at their toll-free number which may be found at http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip on the CMS website.

The official instruction issued to your Medicare carrier and/or MAC regarding this change may be viewed at http://www.cms.gov/Transmittals/downloads/R711OTN.pdf on the CMS website.

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Change Request 7010, Transmittal 711, sent on May 28, 2010, is no longer sensitive. The transmittal number, date issued and all other information remain the same.

SUBJECT: Revised Payment Files for the 2010 Ambulatory Surgical Center Payment System

I. SUMMARY OF CHANGES: Many ASC payment rates under the ASC payment system are established using payment rate information in the Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS). This change request (CR) amends those payment files to reflect retroactive provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152. The Affordable Care Act required retroactive changes to the CY 2010 OPPS and MPFS payment rates. This CR also amends those payment files to include changes to the MPFS payment amounts as a result of practice expense (PE) and malpractice relative value unit (RVU) corrections. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files retroactive to January 1, 2010.

EFFECTIVE DATE: *January 1, 2010
IMPLEMENTATION DATE: June 21, 2010

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.

<table>
<thead>
<tr>
<th>R/N/D</th>
<th>CHAPTER / SECTION / SUBSECTION / TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers: No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

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:

One-Time Notification

*Unless otherwise specified, the effective date is the date of service.
Change Request 7010, Transmittal 711, sent on May 28, 2010, is no longer sensitive. The transmittal number, date issued and all other information remain the same.

SUBJECT: Revised Payment Files for the 2010 Ambulatory Surgical Center Payment System

EFFECTIVE DATE: January 1, 2010

IMPLEMENTATION DATE: June 21, 2010

I. GENERAL INFORMATION

A. Background: Payment files were issued to contractors based upon the calendar year (CY) 2010 Changes to the Hospital Outpatient Prospective Payment System and CY 2010 Payment Rates; Changes to the Ambulatory Surgical Center Payment System and CY 2010 Payment Rates, CMS-1414-FC, (74 FR 60316). Many ambulatory surgical center (ASC) payment rates under the ASC payment system are established using payment rate information in the Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS). This change request (CR) amends those payment files to reflect retroactive provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152. The Affordable Care Act required retroactive changes to the CY 2010 OPPS and MPFS payment rates. This CR also amends those payment files to include changes to the MPFS payment amounts as a result of practice expense (PE) and malpractice relative value unit (RVU) corrections. This requires revised ASC fee schedule (ASCFS) and ASC Payment Indicator (PI) files retroactive to January 1, 2010. The revised ASC payment files have been created and will be made available to contractors.

B. Policy:

Affordable Care Act Changes to the OPPS The Affordable Care Act changed the CY 2010 market basket update to the conversion factor and wage index values for certain hospitals. Due to budget neutrality, these changes effectively change the CY 2010 OPPS payment amount for most ambulatory payment classification (APC) groups. The ASC payment system uses the OPPS payment amounts in the payment methodology for “office-based” surgical procedures and ancillary radiology services. Further, ASC payment for device-intensive services is established by including the device portion for the OPPS payment, and this amount is based on the revised OPPS payment amount.

Affordable Care Act Changes to the MPFS
As discussed in CR 6973, Section 3111 of the Affordable Care Act changed several aspects for the MPFS. Of these changes, only changes to the non-facility PE RVUs for bone density tests are ancillary radiology services under the ASC payment system. The ASC payment system uses the MPFS non-facility practice expense payment in the payment methodology for ancillary radiology services.

Corrections to MPFS CY 2010 Payment
The revised payment files issued through this CR also reflect corrections and revisions to certain PE and malpractice MPFS relative value units, including the nonfacility PE RVUs included in the ASC payment system, as discussed in CR 6973.
We have incorporated all of the above corrections and legislative changes into the revised ASCFS and PI payment files accompanying this CR. These changes are retroactive to January 1, 2010.

NOTE: Reprocessing of ASC claims is not required. Contractors shall adjust claims brought to their attention. Contractors shall not perform mass adjustments for claims affected by changes in this instruction. Contractors shall continue all routine functions such as redeterminations, reopenings, and appeals.

II. BUSINESS REQUIREMENTS TABLE

*Use “Shall” to denote a mandatory requirement*

<table>
<thead>
<tr>
<th>Number</th>
<th>Requirement</th>
<th>Responsibility (place an “X” in each applicable column)</th>
<th>Shared-System Maintainers</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>7010.1</td>
<td>Medicare contractors shall download the revised January 2010 ASCFS from the CMS mainframe.</td>
<td>X  X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FILENAME: <a href="#">MU00.@BF12390.ASC.CY10.FS.JANHCR.K.V0510</a></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Date of retrieval will be provided in a separate email communication from CMS. CMS did not issue a separate ASCFS file for April.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7010.2</td>
<td>Medicare contractors shall download and install the revised January 2010 ASCPI file.</td>
<td>X  X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FILENAME: <a href="#">MU00.@BF12390.ASC.CY10.IND.JANHCR.K.V0510</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date of retrieval will be provided in a separate email communication from CMS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7010.3</td>
<td>Medicare contractors shall download and install the revised April 2010 ASCPI file.</td>
<td>X  X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FILENAME: <a href="#">MU00.@BF12390.ASC.CY10.IND.APRHCR.K.V0510</a></td>
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<tr>
<td></td>
<td>Date of retrieval will be provided in a separate email communication from CMS</td>
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</tr>
<tr>
<td>7010.4</td>
<td>Contractors shall begin to pay claims using these new files no later than 21 days from the date of issuance of</td>
<td>X  X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>Requirement</td>
<td>Responsibility (place an “X” in each applicable column)</td>
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<td></td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7010.5</td>
<td>Contractors shall disclose the new January 2010 ASC payment rates on their websites as soon as possible, but no later than 2 weeks from the date that the files are available for contractors to download. In addition, contractors shall notify providers via their website that the new fees are effective retroactive to January 1, 2010.</td>
<td>X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7010.6</td>
<td>Medicare contractors shall adjust as appropriate claims brought to their attention that: 1) Have dates of service of January 1, 2010 through beginning date of processing from revised payment files contained in this CR and; 2) Were originally processed prior to installation of the revised payment files contained in this CR.</td>
<td>X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7010.7</td>
<td>Medicare contractors shall send notification of successful receipt via email to <a href="mailto:price_file_receipt@cms.hhs.gov">price_file_receipt@cms.hhs.gov</a> stating the name of the file received and the entity for which it was received (e.g., carrier name and number).</td>
<td>X X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### III. PROVIDER EDUCATION TABLE

| Number | Requirement                                                                                                                                                                                                 | Responsibility (place an “X” in each applicable column) |  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|  |
| 7010.8 | A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Medicare 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 one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Medicare contractors are free to supplement MLN Matters articles with localized information that would | X X                                                                                           |  |
benefit their provider community in billing and administering the Medicare program correctly.

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

<table>
<thead>
<tr>
<th>X-Ref Requirement Number</th>
<th>Recommendations or other supporting information:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

B. For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): ASC Payment Policy: Chuck Braver at chuck.braver@cms.hhs.gov or 410-786-6719; Carrier/ AB MAC Claims Processing Issues: Yvette Cousar at yvette.cousar@cms.hhs.gov or 410-786-2160.

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

A. For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

B. 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 Statement of Work (SOW). 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.