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# Program Memorandum Intermediaries

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Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal A-00-56

Date: AUGUST 24, 2000

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## CHANGE REQUEST 1268

### **SUBJECT: Update of Rates for Ambulatory Surgical Center (ASC) Payments**

This Program Memorandum (PM) provides you with revised instructions for processing hospital outpatient claims paid under the ASC blended payment method. Initial instructions which were published in Transmittal Number AB-00-28, Change Request 1145, dated May 2000, advised you to hold claims until systems changes could be implemented. This transmittal provides you with two options. You may choose the one that is most cost-effective for you.

Option 1: Hold claims for hospital outpatient services paid under the ASC blended payment method for claims with dates of service on or after January 1, 2000 until the updated ASC facility rates for the specific procedure codes listed in Transmittal Number AB-00-28 are installed in your claims processing system. If you choose to hold these claims for dates of service on or after January 1, 2000, you may split claims received during that period, as necessary. If applicable, pay interest on clean ASC claims delayed beyond statutory claims processing timeliness standards.

Option 2: Since the software has not been updated to recognize these services as ASC procedures, process these hospital outpatient claims with the payment based on charges. If you choose option 2, you must go back and adjust hospital outpatient claims paid for services furnished on or after January 1, 2000, that were processed prior to the installation of the updated list of HCPCS codes and their assigned rates.

**This information should be published in your next scheduled bulletin.**

**The *effective date* for this PM is January 1, 2000.**

**The *implementation date* for this PM is upon issuance.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after December 31, 2000.**

**If you have any questions, contact Bob Cereghino at 410-786-4645 or Joan Briscoe at (410) 786-4495.**