
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 288

Date: August 27, 2004

CHANGE REQUEST 3394

SUBJECT: Fiscal Year (FY) 2005 Payment for Services Furnished in Ambulatory Surgical Centers (ASCs)

I. SUMMARY OF CHANGES: This CR provides notification that current ASC payment rates and wage index values remain in effect for FY 2005.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: October 1, 2004

IMPLEMENTATION DATE: October 1, 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/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

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

IV. ATTACHMENTS:

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

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

Attachment – Recurring Update Notification

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SUBJECT: Fiscal Year (FY) 2005 Payment for Services Furnished in Ambulatory Surgical Centers (ASCs)

I. GENERAL INFORMATION

A. Background:

Section 626(a) of the MMA mandates a 0 percent increase for inflation in fiscal year 2005, the last quarter of calendar year 2005, and each calendar year from 2006 through 2009. Until CMS has had an opportunity to determine the impact of changes in the fiscal year 2005 inpatient hospital wage index on payment amounts for individual ASCs, implementation of new wage index values for fiscal year 2005 is deferred. Therefore, for services furnished on or after October 1, 2004, payments to ASCs will not change. Carriers shall continue to use the FY 2004 wage index to calculate payments to ASCs and the payment rates that were effective for services furnished on or after April 1, 2004 (Change Request #3082 dated 2/6/2004) until further notice.

Carriers use the inpatient hospital wage index to adjust the labor-related portion of national ASC payment rates for geographic wage differences. The labor-related portion of ASC payment rates is defined currently as 34.45 percent of the payment rate. Carriers shall continue to using the FY 2004 hospital inpatient wage index to calculate payments for ASC services.

B. Policy:

Transmittal AB-03-116 (CR 2871), issued August 8, 2003, updated ASC facility payment rates for inflation and updated the wage index values used to adjust ASC payments for geographic wage differences effective for services furnished on or after October 1, 2003.

Transmittal 51 (CR 3082), issued February 4, 2004, notified contractors about a change in ASC payment rates effective April 1, 2004, resulting from enactment of section 626(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA).

ASC payment rates for fiscal year 2005 will remain as follows:

Group 1- \$333	Group 5 - \$717
Group 2- \$446	Group 6 - \$826 (\$676 + \$150 for intraocular lenses (IOLs))
Group 3- \$510	Group 7 - \$995
Group 4- \$630	Group 8 - \$973 (\$823 + \$150 for IOLs)
	Group 9 - \$1339

C. Provider Education:

A Medlearn Matters 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 one 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 Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3394.1	Contractors shall continue to apply the ASC group rates effective for dates of service on or after April 1, 2004.	X		X						
3394.2	Contractors shall continue to use the wage index values contained in Transmittal AB-03-116, dated August 8, 2003, to calculate payment amounts for all type of service F Healthcare Common Procedural Coding System (HCPCS) codes.	X		X						
3394.3	Contractors shall advise providers via Medlearn Matters article to continue to apply the current ASC wage index and group payment rates for fiscal year 2005	X		X						

III. SUPPORTING INFORMATION AND 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*: October 1, 2004</p> <p>Implementation Date: October 1, 2004</p> <p>Pre-Implementation Contact(s): Chuck Braver (410) 786-6719 for policy issues and Yvette Cousar (410) 786-2160 for Part B claims processing issues</p> <p>Post-Implementation Contact(s): Appropriate regional office</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
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