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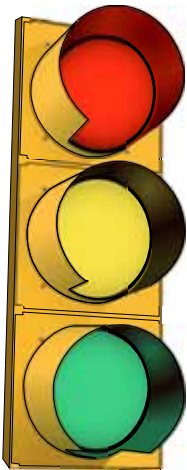
Effective Date: November 22, 2004

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## *Manual Revision Regarding Waiver of Annual Deductible and Coinsurance for Both Ambulatory Surgery Centers (ASCs) and ASC/Hospital Outpatient Department Physician Services*

### Provider Types Affected

Hospitals outpatient departments billing for physician services, ASCs, and physicians.



#### **STOP – Impact to You**

The Omnibus Budget Reconciliation Act (OBRA) 1986 and OBRA 1987 rescinded the waiver of the Medicare Part B coinsurance and deductible requirements for ASC facility services and ASC/hospital outpatient department physician services.

#### **CAUTION – What You Need to Know**

Medicare is updating language in its manuals to ensure consistency with these legislative changes and this change.

#### **GO – What You Need to Do**

ASCs and hospital outpatient department billing staffs are reminded to be familiar with these policies.

### Background

Effective April 1, 1988, section 4054 of OBRA 1987 (Public Law 100-203) imposed the Medicare Part B coinsurance and deductible requirements for physician services in connection with an ASC covered procedure that is performed in an ambulatory setting.

For any physician services furnished on or after April 1, 1988, in connection with an ASC covered procedure, performed in an ASC or in a hospital on an outpatient basis, Medicare pays 80 percent of the physician fee schedule amount. After the beneficiary deductible is met, the beneficiary is responsible for 20 percent of the physician fee schedule amount.

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Section 9343(e) of OBRA 1986 (Public Law 99-509) imposed that for any procedure on the ASC list furnished in an ASC, Medicare pays 80 percent of the applicable ASC fee schedule amount for such services furnished to Medicare patients. After the beneficiary's deductible is met, the beneficiary is responsible for 20 percent of the applicable facility fee schedule amount for that facility service. This provision was made for services furnished on or after July 1, 1987

### Additional Information

If you have additional questions, please contact your carrier at their toll-free number, which may be found at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

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