



## January 2022 Update of the Ambulatory Surgical Center (ASC) Payment System

MLN Matters Number: MM12553

Related Change Request (CR) Number: 12553

Related CR Release Date: December 16, 2021 Effective Date: January 1, 2022

Related CR Transmittal Number: R11164CP Implementation Date: January 3, 2022

### Provider Types Affected

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This MLN Matters Article is for physicians, ASCs, and suppliers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

### Provider Action Needed

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In this Article, you'll learn about:

- Updates to the ASC payment system in January
- Payment offsets for HCPCS codes C1832 and C1833
- Changes to the ASC Covered Procedure List Policy for CY 2022

Make sure your billing staff knows about these changes.

### Background

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The changes for the January 2022 ASC Payment system are:

#### 1. New Device Pass-Through Categories

The OPPS payment policies for device pass-through categories also apply to ASCs. CMS is establishing 2 new device pass-through categories effective January 1, 2022. These are HCPCS code C1833 (Cardiac monitor sys) and HCPCS code C1832 (Auto cell process). We're also updating the device offset from payment information for the device category that HCPCS codes C1833 and C1832 describe. [Table 1 of CR 12553](#) shows new coding and payment information concerning the new device categories for transitional pass-through payment.

##### a. Device Offset from Payment for HCPCS codes C1832 and C1833

[Section 1833\(t\)\(6\)\(D\)\(ii\)](#) of the Social Security Act requires us to deduct from OPPS pass-through payments for devices an amount that shows the device portion of the Ambulatory

Payment Classification (APC) payment amount. This deduction is known as the device offset, or the portion(s) of the APC amount that's associated with the cost of the pass-through device. The device offset represents a deduction from the ASC procedure payment for the applicable pass-through device.

### **(1) Device Offset for HCPCS Code C1833**

Offsets are associated with the costs of the device category described by HCPCS code C1833. ASCs should always bill the device in the category described by HCPCS code C1833 in the ASC setting with 1 of these CPT codes:

- CPT code 0525T - Insertion or replacement of intracardiac ischemia monitoring system, including testing of the lead and monitor, initial system programming, and imaging supervision and interpretation; complete system (electrode and implantable monitor). We assign this to OPSS APC 5223 for CY 2022.
- CPT code 0526T - Insertion or replacement of intracardiac ischemia monitoring system, including testing of the lead and monitor, initial system programming, and imaging supervision and interpretation; electrode only. We assign this to OPSS APC 5222 for CY 2022.
- CPT code 0527T - Insertion or replacement of intracardiac ischemia monitoring system, including testing of the lead and monitor, initial system programming, and imaging supervision and interpretation; implantable monitor only. We assign this to OPSS APC 5222 for CY 2022.

### **(2) Device Offset for HCPCS Code C1832**

Offsets are associated with the costs of the device category described by HCPCS code C1832. Always bill the device in the category described by HCPCS code C1832 with 1 of these CPT codes:

- CPT code 15110 (Epidermal autograft, trunk, arms, legs; first 100 sq cm or less, or 1 percent of body area of infants and children). We assign this to OPSS APC 5054 for CY 2022.
- CPT code 15115 (Epidermal autograft, face, scalp, eyelids, mouth, neck, ears, orbits, genitalia, hands, feet, and/or multiple digits; first 100 sq cm or less, or 1% of body area of infants and children). We assign this to OPSS APC 5054 for CY 2022.

You may bill the device in the category described by HCPCS code C1832 with 1 of the following CPT codes, but you must also use 1 of the preceding codes:

- CPT code 15100 (Split-thickness autograft, trunk, arms, legs; first 100 sq cm or less, or one percent of body area of infants and children (except 15050)). We assign this to OPSS APC 5054 for CY 2022.
- CPT code 15120 (Split-thickness autograft, face, scalp, eyelids, mouth, neck, ears, orbits, genitalia, hands, feet, and/or multiple digits; first 100 sq cm or less, or 1% of body area of infants and children (except 15050)). We assign this to OPSS APC 5055 for CY 2022.

## 2. Changes to the ASC Covered Procedure List Policy for CY 2022

In the CY 2021 OPPS/ASC final rule, we revised the long-standing safety criteria that were historically used to add covered surgical procedures to the ASC Covered Procedures List (ASC CPL). We adopted a notification process for surgical procedures the public believes can be added to the ASC CPL under the criteria we retained. Using these revised criteria, we added 267 surgical procedures to the ASC CPL beginning in CY 2021.

As discussed in the [CY 2022 OPPS/ASC final rule](#), we're reinstating the criteria for adding procedures to the ASC CPL that were in place in CY 2020. We asked for comments on the 258 procedures proposed for removal from the ASC CPL. Based upon review of the procedure recommendations, we:

- Kept 6 procedures on the ASC CPL (see [Table 2 of CR 12553](#)); 3 were already on the ASC CPL and 3 were proposed for removal
- Removed 255 of the 258 procedures proposed for removal (see [Table 3 of CR 12553](#))

The 3 codes proposed for removal and being retained are CPT codes 0499T, 54650, and 60512.

## 3. Drugs and Biologicals

### a. Newly Established HCPCS Codes for Drugs and Biologicals as of January 1, 2022

There are 11 new drug and biological HCPCS codes for January 1, 2022. These HCPCS codes as well as the descriptors and ASC Payment indicators (PIs) are in [Table 4 of CR 12553](#).

### b. HCPCS Codes for Drugs and Biologicals Deleted as of January 1, 2022

There are 3 drug and biological HCPCS codes (C9082, C9083, and J2505) deleted on January 1, 2022. These HCPCS codes are listed in [Table 5 of CR 12553](#).

### c. Drugs and Biologicals with Payments Based on Average Sales Price (ASP)

For CY 2022, payment for nonpass-through drugs and biologicals continues at a single rate of Average Sales Price (ASP) + 6%, which gives payment for both the acquisition cost and pharmacy overhead costs associated with the drug or biological. In CY 2022, a single payment of ASP + 6% continues for the OPPS pass-through drugs and biologicals to give payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. We update payments for drugs and biologicals based on ASPs on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective January 1, 2022, are in the January 2022 update of [ASC Addendum BB](#).

### d. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates

We may correct some drugs and biologicals payment rates based on the ASP methodology retroactively. These retroactive corrections typically occur on a quarterly basis. The [list of drugs](#)

[and biologicals with corrected payment rates](#) will be available on the first date of the quarter.

Suppliers who think they got an incorrect payment for drugs and biologicals impacted by these corrections may request their MAC adjust the previously processed claims.

#### 4. Skin Substitutes

The payment for skin substitute products that don't qualify for hospital OPSS pass-through status are packaged into the OPSS payment for the associated skin substitute application procedure. This policy is also in the ASC payment system. The skin substitute products are divided into 2 groups: high-cost skin substitute products and low-cost skin substitute products for packaging purposes.

Only use high-cost skin substitute products in combination with the performance of 1 of the skin application procedures described by CPT codes 15271-15278. Use low-cost skin substitute products in combination with the performance of 1 of the skin application procedures described by HCPCS code C5271-C5278.

Bill all OPSS pass-through skin substitute products (ASC PI=K2) in combination with 1 of the skin application procedures described by CPT code 15271-15278. New skin substitute HCPCS codes are assigned into the low-cost skin substitute group unless we've OPSS pricing data that shows the cost of the product is above either the mean unit cost of \$48 or per day cost of \$949 for CY 2022.

##### a. New Skin Substitute Products as of January 1, 2022

One new skin substitute HCPCS code (Q4199) is active as of January 1, 2022. The code is packaged and is assigned to the low-cost skin substitute group. [Table 6 of CR 12553](#) shows this code.

Note that you shouldn't separately bill for packaged skin substitutes (ASC PI=N1) since packaged codes aren't reportable under the ASC payment system.

##### b. Skin Substitute Assignments to High Cost and Low Costs Groups for CY 2022

[Table 7 of CR 12553](#) lists the skin substitute products and their assignment as either a high-cost or a low-cost skin substitute product, when applicable.

#### 5. Correction to the Long Descriptor for HCPCS J1443 effective October 1, 2021

In CR 12451, we reported a revision to the long descriptor for J1443 effective October 1, 2021. However, the long descriptor for this HCPCS didn't change for October 1, 2021, and continues unchanged for January 1, 2022. The long descriptor for HCPCS J1443 is: "Injection, ferric pyrophosphate citrate solution (triferic), 0.1 mg of iron". The [latest HCPCS code descriptors](#) for all Level II HCPCS codes are on the CMS HCPCS Quarterly Update website.

## More Information

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We issued [CR 12553](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

## Document History

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Date of Change	Description
December 16, 2021	Initial article released.

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