Reimbursement Policy

Ambulatory Surgery Center (ASC) Payment Structure

REIMBURSEMENT POLICY NUMBER: 3

Effective Date: 6/1/2024

Last Review Date: 5/2024

Next Annual Review: 5/2025

INSTRUCTIONS FOR USE: Company reimbursement policies serve as guidance for the administration of plan benefits. Reimbursement policies do not constitute medical advice nor a guarantee of coverage. Company reimbursement policies are reviewed annually. The Companies reserve the right to determine the application of reimbursement policies and make revisions to reimbursement policies at any time. The scope and availability of all plan benefits are determined in accordance with the applicable coverage agreement. Any conflict or variance between the terms of the coverage agreement and Company Reimbursement Policy will be resolved in favor of the coverage agreement.

SCOPE AND APPLICATION

Provider Type:

☐ Professional Claims ☐ DMEPOS Suppliers

☐ All health care services billed on CMS 1500 forms

☐ All health care services billed on CMS 1500 forms, and when specified to those billed on UB04 forms

☒ ASC Free-Standing Facilities

☐ All health care services billed on UB04 forms (CMS 1450)

Plan Product:

☒ Commercial
☒ Medicare
☒ Medicaid/Oregon Health Plan (OHP)

SCOPE: Providence Health Plan, Providence Health Assurance, and Providence Plan Partners as applicable (referred to individually as "Company" and collectively as "Companies").

POLICY STATEMENT

NOTE: Member benefit and provider contract language applies and may vary.

I. Ambulatory Surgery Center (ASC) services may be reimbursed based on the Centers for Medicare and Medicaid Services (CMS) ASC Payment System.

Separate Reimbursement and Ancillary Services

II. Some services are not reimbursed separately because they are included in the payment for the covered surgical procedure.

III. Separate reimbursement may be provided for ancillary services when integral to a covered ASC surgical procedure.

Note: *See Policy Guidelines below for services which are not separately payable and ancillary services which may be allowed separate payment.*

Multiple Surgery Guidelines

IV. Multiple surgery guidelines apply to ASC services (100% for the primary procedure, 50% for all subsequent procedures). *(See the relevant Company Coding Policy Multiple Procedure Reductions, 06.0)*

Procedures Not Allowed by CMS at an ASC

V. Surgical procedures which are **not** included on the CMS ASC covered procedure list (or services which are included on the CMS ASC non-covered list) **may be reviewed** on an individual exception basis for consideration of payment for **non-Medicare/non-Medicaid (OHP)** plan members only.

VI. For **Medicare and Medicaid (OHP) plan members**, procedures **not** on the CMS ASC list of covered surgical procedures will not be considered eligible for ASC payment.

Note: *See Policy Guidelines below for information regarding the CMS list of covered ASC procedures.*

POLICY GUIDELINES

BACKGROUND

From the Noridian web page for Ambulatory Surgical Center (ASC):[1,2]

> "An ASC is defined as an entity that operates exclusively for furnishing outpatient surgical services to patients. To receive coverage of and payment for its services under this provision, a facility must be certified as meeting the requirements for an ASC and enter into a written agreement with CMS."

CMS ASC List of Covered Surgical Procedures

According to the Centers for Medicare and Medicaid Services (CMS), when adding procedures to the ASC covered procedure list (CPL), CMS evaluates the procedure against the ASC CPL criteria in order to ensure that the procedure is not expected to pose a significant risk to the average Medicare beneficiary safety when performed in an ASC **and** for which standard medical practice dictates that an individual would not typically be expected to require active medical monitoring and care at midnight following the procedure (overnight stay).[3]

Additionally, covered ASC surgical procedures do **not** include procedures which:[3]

1. generally result in extensive blood loss;
2. require major or prolonged invasion of body cavities;
3. directly involve major blood vessels;
4. are generally emergent or life threatening in nature;
5. commonly require systemic thrombolytic therapy;
6. are designated as requiring inpatient care under §419.22(n);
7. can only be reported using a CPT unlisted surgical procedure code (address below); ***or***
8. are otherwise excluded by Medicare under §411.15.

Surgical procedures under the ASC payment system, including Category I and Category III CPT and Level II HCPCS codes, will be reimbursed based on CMS packaged payment indicators. CMS ASC payment indicators that are valid on the date of service will be used. The yearly updated lists of ASC covered surgical procedures, ASC-non-covered surgical procedures, ASC covered ancillary services, applicable payment indicators, and payment rates are available on the CMS website. *(The reader will need to accept the terms before downloading the applicable file in an excel spreadsheet)*

- Addendum AA is the list of "ASC Covered Surgical Procedures"
- Addendum BB is the list of "ASC Covered Ancillary Services Integral to Covered Surgical Procedures"
- Addendum EE is the list of "Surgical Procedures to be Excluded from Payment in ASCs" (aka the CMS ASC "no pay" list)

Note, procedures on the Medicare ASC list of covered surgical services are **not** guaranteed coverage or payment solely on the basis of this inclusion. According to CMS:

> "…all the general coverage rules requiring that any procedure be reasonable and necessary for the beneficiary are applicable to ASC services in the same manner as all other covered services." *(Medicare Claims Processing Manual, Chapter 14 - Ambulatory Surgical Centers, §20.1 - Nature and Applicability of ASC Covered Procedures List)*[3]

Therefore, when applicable, medical necessity for services will be reviewed using available PHP medical policies.

Services Not on the CMS ASC List of Covered Surgical Procedures

The following is from the Medicare Claims Processing Manual, Chapter 14 - Ambulatory Surgical Centers.

> "Medicare makes facility payments to ASCs only for the specific ASC covered surgical procedures on the ASC list of covered surgical procedures." *(§10.2 - Ambulatory Surgical Center Services on the ASC Covered Procedures List)*
>
> "Some surgical procedures are covered by Medicare but are not on the list of ASC covered surgical procedures. For surgical procedures that are performed but not covered in ASCs, the related professional services may be billed by the rendering provider as Part B services and the beneficiary is liable for the facility charges, which are non-covered by Medicare." *(§10.2 - Ambulatory Surgical Center Services on the ASC Covered Procedures List)*

Procedures which can only be reported by using an unlisted CPT code are excluded from the CMS ASC list because there are no specifically descriptive codes that can be evaluated for safety risk. *(§20.2 - Types of Services Included on the ASC Covered Procedures List)*

For Medicare and Medicaid (OHP) plan members, procedures **not** on the CMS ASC list of covered surgical procedures will not be considered eligible for ASC payment.

For non-Medicare/non-Medicaid plan members, surgical procedures which are not on the CMS ASC list may be reviewed for reimbursement under individual exception consideration. No default rates will apply.

Services Included in the Facility Payment

ASC services for which reimbursement is included in the ASC payment for a covered surgical procedure include, but are not limited to:[1,2,4]

- Nursing, technician, and related services
- Use of facility where surgical procedures are performed
- Any laboratory testing performed under a Clinical Laboratory Improvement Amendments of 1988 (CLIA) certificate of waiver
- Drugs and biologicals for which separate payment is not allowed under the CMS OPPS
- Medical and surgical supplies not on pass-through status under CMS OPPS
- Equipment
- Surgical dressings
- Implanted prosthetic devices, including intraocular lenses, and related accessories and supplies not on pass-through status through under CMS OPPS
- Implanted DME and related accessories not on pass-through under the CMS OPPS
- Splints and casts and related devices

- Radiology services for which separate payment is not allowed under the CMS OPPS and other diagnostic tests or interpretive services that are integral to a surgical procedure
- Administrative, recordkeeping, and housekeeping items and services
- Materials, including supplies and equipment for the administration and monitoring of anesthesia
- Supervision of services of an anesthetist by the operating surgeon.
- Neurostimulators and related devices
- Infusion Supplies (e.g., ambulatory infusion pump, implantable programmable or non-programmable infusion pumps, and implantable programmable infusion pump replacement.

Ancillary Services Provided Integral to a Covered ASC Procedure

Separate reimbursement will be allowed for ancillary services provided integral to a covered ASC surgical procedure. Covered ancillary services include the following:[2]

- Brachytherapy sources
- Certain implantable items with pass-through status under the CMS Outpatient Prospective Payment System (OPPS).
- Certain items and services that CMS designates as contractor-priced, including, but not limited to, the procurement of corneal tissue
- Certain drugs and biologicals for which separate payment is allowed under the CMS OPPS
- Certain radiology services for which separate payment is allowed under the CMS OPPS

CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)

As of 4/18/2024, the following Centers for Medicare & Medicaid (CMS) guidance was identified which addresses ambulatory surgical centers (ASCs):

- Local Medicare Contractor (MAC) – Noridian Healthcare Solutions – web page for Ambulatory Surgical Center (ASC)
- Centers for Medicare and Medicaid Services. Medicare Claims Processing Manual, Chapter 14 - Ambulatory Surgical Centers, §10.2 - Ambulatory Surgical Center Services on ASC List **and** §20.2 – Types of Services Included on the ASC Covered Procedures List
- Centers for Medicare and Medicaid Services. Medicare Benefit Policy Manual, Chapter 15 – Covered Medical and Other Health Services

The above criteria and reimbursement methodologies are consistent with the CMS guidance for ASCs.

CROSS REFERENCES

Reimbursement Policies

- Facility Routine Supplies and Services, UM43

Coding Policies

- Multiple Procedure Reductions, 06.0

The full Company portfolio of current Reimbursement Policies is available online and can be accessed here.

REFERENCES

1. Noridian web page for Ambulatory Surgical Center (ASC). https://med.noridianmedicare.com/web/jfb/specialties/asc. Accessed 4/18/2024.
2. Centers for Medicare and Medicaid Services (CMS). Medicare Claims Processing Manual, Chapter 14 - Ambulatory Surgical Centers, §10.2 - Ambulatory Surgical Center Services on ASC List; https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c14.pdf. Accessed 4/18/2024.
3. Centers for Medicare and Medicaid Services (CMS). Medicare Claims Processing Manual, Chapter 14 - Ambulatory Surgical Centers, §20.2 – Types of Services Included on the ASC Covered Procedures List. https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c14.pdf. Accessed 4/3/2023
4. Centers for Medicare and Medicaid Services. Medicare Benefit Policy Manual, Chapter 15 – Covered Medical and Other Health Services; https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/bp102c15.pdf. Accessed 4/3/2023.

POLICY REVISION HISTORY

Date	Revision Summary
6/2023	New reimbursement policy (previously Coding Policy 74.0, *ASC Payment Structure*)
6/2024	Annual review; no change to ASC reimbursement eligibility or references