
Program Memorandum

Carriers

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

Transmittal B-01-43

Date: JULY 18, 2001

CHANGE REQUEST 1680

SUBJECT: Clarification of Payment and Place of Service Requirements for ASC Claims

An Ambulatory Surgical Center (ASC) may bill Medicare for a facility fee for a procedure on the Medicare-approved ASC list and performed at the ASC. Deny claims for ASC facility fees billed for HCPCS codes not on the Medicare-approved ASC list.

However, physicians and qualified nonphysician practitioners may bill Medicare for procedures not on the Medicare-approved ASC list but performed in an ASC. Pay at the nonfacility rate according to the physician fee schedule, i.e., using the nonfacility practice expense RVUs, for such procedures when covered by Medicare. The Medicare physician fee schedule payment for procedures not on the ASC list but performed in an ASC includes payment for all practice expenses, and, as noted above, there is no separate payment of an ASC facility fee.

The Place of Service code is 24 for procedures performed in an ASC.

Inform providers of this information on your Internet web sites as soon as possible and in your next regularly scheduled bulletin.

The *effective date* for this Program Memorandum (PM) July 18, 2001.

The *implementation date* for this PM is September 4, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 18, 2002.

If you have questions regarding:

ASC Place of Service codes, contact Claudette Sikora, CHPP, at (410) 786-5618.

ASC payment, contact Ken Marsalek, CHPP, at (410) 786-4502.

Other ASC issues, contact Bob Cereghino, CHPP, at (410)786-4645.

