

Part B Insider (Multispecialty) Coding Alert

Asc Payment: CMS Confirms That Docs in ASCs Should Collect Facility Rate

In the past, Medicare paid ASCs the higher non-facility rate for non-covered procedures

If you perform a non-covered service in an ASC, you'd probably expect to be penalized financially for the non-covered nature of the service. But that's just the opposite of how CMS was paying physicians -- until now.

According to CMS Transmittal 1604, issued on Sept. 26, CMS changes its tune, now reimbursing physicians at the facility rate when they perform excluded procedures.

"We believe it would be incongruous with the revised ASC payment system policies to pay the typically higher non-facility rate to physicians who furnish excluded ASC procedures," the transmittal notes. "We do not believe it would be appropriate to provide a payment based on the nonfacility rate to physicians who furnish them in the ASC setting," it says.

Analysis: CMS previously paid physicians the higher non-facility rate for these services, despite the fact that the procedures were considered "excluded." Therefore, CMS essentially created a financial incentive for physicians to perform procedures that CMS did not cover in ASCs, says **Barbara Colburn**, a consultant in Ocala, Fla.

"It's unfortunate because physicians were following the CMS rules and were doing what they were supposed to do, and then CMS decided that they would start penalizing these doctors after the policy had already been implemented," Colburn says.

"When a loophole is exploited, it creates the next level of opportunity for improvement, lack of planning and foresight in an industry that CMS should be intimately familiar with now, resulting in the consequences being shared by the industry in general and the physician being the scapegoat at the 11th hour," Colburn says.

There's more: The CMS transmittal also indicates that Medicare will pay the non-facility rate for services performed in a patient's home (POS code 12), and in a facility or institution other than a hospital, skilled nursing facility, community mental health center or ASC (POS codes 49 or 99).

To read the full CMS transmittal, visit <http://www.cms.hhs.gov/transmittals/downloads/R1604CP.pdf>.