

## Outpatient Facility Coding Alert

### Reader Question: Pass-Through Payments Explained

**Question:** Can you explain what "pass-through payments" are?

**Answer:** Pass-through payments are transitional payments that Medicare establishes for new drugs, biologicals, radiopharmaceutical agents, and medical devices. It's a temporary way for insurers to pay ASCs for items until Medicare determines whether the cost will continue to be paid separately or whether it will be rolled into an existing APC-based fee. Drugs and devices with a status indicator of G or H receive pass-through payment. The fee normally is either the APC-based fee or a percentage of charges.