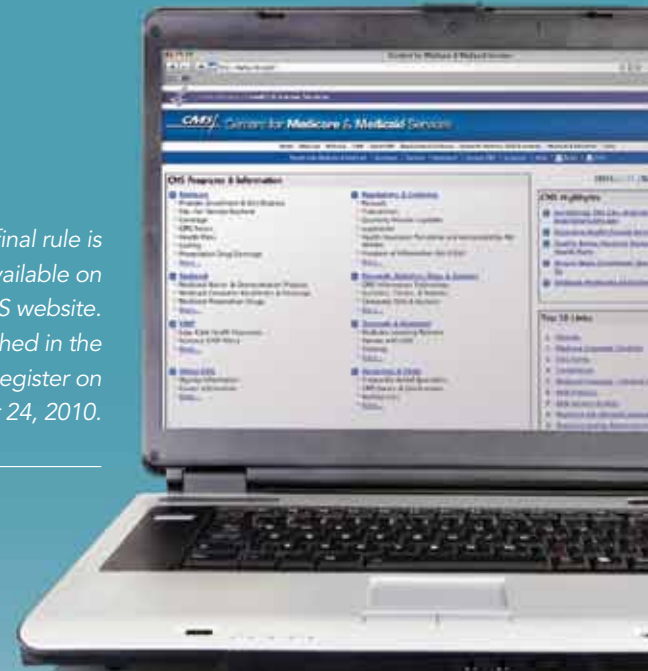


CMS Announces Medicare ASC Payment Updates for 2011

The final rule is presently available on the CMS website. It was published in the Federal Register on November 24, 2010.



BY ERIC ZIMMERMAN AND WEBB MILLSAPS

Medicare payments for services furnished in ambulatory surgery centers (ASCs) will increase just slightly in 2011, according to a final rule recently posted by the Centers for Medicare & Medicaid Services (CMS).

CMS inflates ASC payments annually by the U.S. Consumer Price Index (CPI). However, pursuant to changes required under the healthcare reform law enacted in March 2010, CMS is also now required to reduce the inflation update by a productivity adjustment. While the applicable CPI-U for 2011 is 1.5 percent, the applicable productivity adjustment is 1.3 percent in 2011, leaving a scant 0.2 percent update for Medicare ASC payments. In light of this update, the ASC conversion factor will rise from the 2010 level of \$41.873 to \$41.939 for 2011.

Since 2008, Medicare ASC payments have been largely based on payments to hospitals for the same services. For 2011, the hospital conversion factor will be \$68.876, which means ASC payments are generally hovering around 64 percent of payments for comparable outpatient services furnished in hospitals.

Additionally, the calendar year 2011 final rule made the following changes, which will affect ASCs next year:

- Six surgical procedures were added to the list of ASC-covered procedures.
- Under the Patient Protection and Affordable Care Act, Medicare beneficiaries have their deductible and co-insurance waived for certain preventive services recommended by the U.S Preventive Services Task Force with a grade of A or B. Certain of these are eligible to be paid under the ASC payment system. Notably, this will affect several HCPCS codes for colonoscopies.
- CMS affirmed its position previously set out in the proposed rule not to require ASCs to report quality data during calendar year 2011. However, the Affordable Care Act requires CMS to develop a plan for implementing a value-based purchasing program for ASCs that will consider measures of quality and efficiency, as well as other requirements. In the 2011 final rule, CMS noted it must submit a report to Congress on this matter no later than January 1, 2011. As such, CMS emphasized its intention to implement quality data reporting requirements in the future.

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