

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1918	Date: September 13, 2017
	Change Request 10145

Transmittal 1870, dated July 27, 2017, is being rescinded and replaced by Transmittal 1918, dated, September 13, 2017 to remove business requirement 10145.2. All other information remains the same.

SUBJECT: Correcting Payment of Inpatient Prospective Payment System (IPPS) Transfer Claims Assigned to Medicare Severity-Diagnosis Related Group (MS DRG) 385 and Allowing Part A Deductible on Medicare Secondary Payer (MSP) Same Day Transfer Inpatient Claims

I. SUMMARY OF CHANGES: This Change Request (CR) implements a correction to the payment of Inpatient Prospective Payment System (IPPS) transfer claims classified to MS-DRG 385 from full IPPS payment to a per diem transfer payment. In addition, this CR instructs the Fiscal Intermediary Standard System (FISS) to allow the Part A deductible on MSP same day transfer claims.

EFFECTIVE DATE: January 1, 2018

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: January 2, 2018

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) recently discovered that IPPS transfer claims classified into MS DRG 385 are receiving the full prospective payment as defined in 42 Code of Federal Regulations (CFR) 412.2(b), instead of the graduated per diem rate for each day of the patient's stay in that hospital, not to exceed the amount that would have been paid if the patient had been discharged to another setting (42 CFR 412.4 (f)).

Prior to October 1, 2007, transferring hospitals with discharges classified into DRG 385 (Neonates, Died or Transferred) had their payments calculated on the same basis as those receiving the full prospective payment because the weighting factors for this DRG assume that the patient will be transferred, since a transfer is part of the definition.

With the implementation of MS-DRGs in Fiscal Year (FY) 2008, MS DRG 385 became inflammatory bowel disease with Major Complication or Comorbidity (MCC). Since the definition of this MS DRG does not include a transfer, it should be subject to the transfer payment policy.

After the implementation of CR 9394, transmittal 1587 on April 4, 2016, CMS was advised that the Fiscal Intermediary Standard System (FISS) was not allowing Medicare covered and payable expenses, paid by the primary payer and billed with the value code for Medicare Part A deductible, on same day transfer MSP claims.

B. Policy: This CR contains no new policy. It improves the implementation of existing Medicare payment policies and allows the claims processing system to conform to 42 CFR 411.30 (b) which states, "Expenses for Medicare covered services that are paid for by primary payers are credited toward the Medicare Part A and Part B deductibles."

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility							
		A/B MAC		D M E M A C	Shared- System Maintainers				Other
		A	B		H H H	F I S S	M C S	V M S	
10145.1	Medicare contractors shall no longer bypass transfer logic when assigning review codes on IPPS claims classified into MS-DRG 385 with a discharge status code 02, 07, 66, 82, or 94 and the through date of service is equal to or greater than January 1, 2018.					X			
10145.2	This business requirement has been removed.								CMS
10145.3	The Medicare contractor shall allow the part A deductible, identified by a value code, on Medicare Secondary Payer (MSP) same day transfer claims, as it currently does for regular MSP claims, for Medicare covered services that are paid by the primary payer.					X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E M A C	C E D I	I
		A	B	H H H			
10145.4	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A
"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
10145.2	CR9394 implemented CWF changes to allow the Part A deductible on MSP same day transfer claims.

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Cami DiGiacomo, cami.digiacomoc@cms.hhs.gov.

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0