

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2289	Date: August 26, 2011
	Change Request 7506

SUBJECT: Fiscal Year (FY) 2012 Inpatient Psychiatric Facility (IPF) PPS Changes

I. SUMMARY OF CHANGES: This Change Request (CR) addresses the FY 2012 update to the Medicare Severity Diagnosis Related Groups (MS-DRGs) and ICD-9-CM coding. The coding changes require an update to the Inpatient Psychiatric Facility (IPF) Prospective Payment Systems (PPS) co-morbidity adjustment, effective October 1, 2011. (Note: The IPF PPS rate changes occurred on July 1, 2011. Refer to Transmittal 2220, CR 7367, issued on May 20, 2011 for IPF PPS policy changes.) This Recurring Update Notification refers to Chapter 3, section 190.4.3.

EFFECTIVE DATE: Discharges on or after October 1, 2011

IMPLEMENTATION DATE: October 3, 2011

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/revise 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	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

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:

Recurring Update Notification

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 2289	Date: August 26, 2011	Change Request: 7506
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SUBJECT: Fiscal Year (FY) 2012 Inpatient Psychiatric Facility (IPF) PPS Changes

Effective Date: Discharges on or after October 1, 2011

Implementation Date: October 3, 2011

I. GENERAL INFORMATION

A. Background: This Change Request (CR) addresses the FY 2012 update to the Medicare Severity Diagnosis Related Groups (MS-DRGs) and ICD-9-CM coding. The coding changes require an update to the Inpatient Psychiatric Facility (IPF) Prospective Payment Systems' (PPS) comorbidity adjustment, effective October 1, 2011. (Note: The IPF PPS rate changes occurred on July 1, 2011. Refer to Transmittal 2220, CR 7367, issued on May 20, 2011 for IPF PPS policy changes.) This Recurring Update Notification refers to Chapter 3, section 190.4.3.

B. DRG Adjustment Update:

The IPF PPS has DRG specific adjustments for MS-DRGs. CMS provides payment under the IPF PPS for claims with a principal diagnosis included in Chapter Five of the ICD-9-CM or the DSM-IV-TR. However, only those claims with diagnoses that group to a psychiatric MS-DRG will receive a DRG adjustment and all other applicable adjustments. Although the IPF will not receive a DRG adjustment for a principal diagnosis not found in one of our identified psychiatric DRGs, the IPF will still receive the Federal per diem base rate and all other applicable adjustments.

The IPF PPS uses the same GROUPER as the IPPS, including the same diagnostic code set and MS-DRG classification system, in order to maintain consistency. The updated codes are effective October 1 of each year. Although the code set is being updated, note that these are the same adjustment factors in place since implementation.

Based on changes to the ICD-9-CM coding system used under the IPPS, the following changes are being made to the principal diagnoses that are used to assign MS-DRGs under the IPF PPS. The following table lists the FY 2012 new ICD-9-CM diagnosis codes that group to one of the MS-DRGs for which the IPF PPS provides an adjustment. This table is only a listing of FY 2012 **new** codes, and does not reflect all of the currently valid and applicable ICD-9-CM codes classified in the MS-DRGs. When coded as a principal diagnosis, these codes receive the correlating MS-DRG adjustment.

Diagnosis Codes	Description	MS-DRG
294.20	Dementia, unspecified, without behavioral disturbance	884
294.21	Dementia, unspecified with behavioral disturbance	884
310.81	Pseudobulbar affect	056,057
310.89	Other specified nonpsychotic mental disorders following organic brain damage	056,057
358.30	Lambert-Eaton syndrome, unspecified	056, 057
358.31	Lambert-Eaton syndrome, in neoplastic disease	056, 057

358.39	Lambert-Eaton syndrome in other diseases classified elsewhere	056, 057
331.6	Corticobasal degeneration	056, 057

The following table lists the FY 2012 **invalid** ICD-9-CM diagnosis code that is no longer applicable for the DRG adjustment.

Diagnosis Code	Description	MS-DRG
310.8	Other specified nonpsychotic mental disorders following organic brain damage	884

The table below lists the FY 2012 **revised** ICD-9-CM diagnosis code that impacts the MS-DRG adjustment under the IPF PPS. The table only lists the FY 2012 **revised** code and does not reflect all of the currently valid ICD codes applicable for the IPF PPS MS-DRG adjustment.

Diagnosis Code	Description	MS-DRG
317	Mild intellectual disabilities	884
318.0	Moderate intellectual disabilities	884
318.1	Severe intellectual disabilities	884
318.2	Profound intellectual disabilities	884
319	Unspecified intellectual disabilities	884

The table below lists the seventeen MS-DRG adjustment categories for which we are providing an adjustment, their respective codes and their respective adjustment factors. Please note that we do not plan to update the regression analysis until we analyze IPF PPS data. The MS-DRG adjustment factors, shown below, are effective October 1, 2011, and will continue to be paid for FY 2012.

MS-DRG	MS-DRG Description	Adjustment Factor
056	Degenerative nervous system disorders w MCC	1.05
057	Degenerative nervous system disorders w/o MCC	1.05
080	Nontraumatic stupor & coma w MCC	1.07
081	Nontraumatic stupor & coma w/o MCC	1.07
876	O.R. procedure w principal diagnosis of mental illness	1.22
880	Acute adjustment reaction & psychosocial dysfunction	1.05
881	Depressive neurosis	0.99
882	Neurosis except depressive	1.02
883	Disorders of personality & impulse control	1.02
884	Organic disturbances & mental retardation	1.03
885	Psychoses	1.00
886	Behavioral & developmental disorders	0.99
887	Other mental disorder diagnoses	0.92
894	Alcohol/drug abuse or dependence, left AMA	0.97
895	Alcohol/drug abuse or dependence w rehabilitation therapy	1.02
896	Alcohol/drug abuse or dependence w/o rehabilitation therapy w MCC	0.88
897	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	0.88

C. Comorbidity Adjustment Update

The IPF PPS has 17 comorbidity groupings, each containing ICD-9-CM codes for certain comorbid conditions. Each comorbidity grouping will receive a grouping-specific adjustment. Facilities receive only one comorbidity adjustment per comorbidity category, but may receive an adjustment for more than one comorbidity category. The IPFs must enter the full ICD-9-CM codes for up to 8 additional diagnoses if they co-exist at the time of admission or develop subsequently.

Comorbidities and Complications (CCs) are specific patient conditions that are secondary to the patient's primary diagnosis and require treatment during the stay. Diagnoses that relate to an earlier episode of care and have no bearing on the current hospital stay are excluded and shall not be reported on IPF claims. Comorbid conditions must co-exist at the time of admission, develop subsequently, and affect the treatment received, the length of stay or both treatment and length of stay.

The IPF PPS utilizes the MS-Severity DRG coding system in order to maintain consistency with the IPPS, which is effective October 1 of each year. Although the code set will be updated, the same adjustment factors are being maintained. We are currently using the FY 2012 GROUPER, Version 29.0 which is effective for discharges occurring on or after October 1, 2011.

The following three tables below list the FY 2012 new, revised and invalid ICD-9-CM diagnosis codes, respectively, which group to one of the 17 comorbidity categories for which the IPF PPS provides an adjustment. These tables are only a listing of FY 2012 changes and do not reflect all of the currently valid and applicable ICD-9-CM codes classified in the DRGs.

The following table lists the FY 2012 **new** ICD-9-CM diagnosis codes that impact the comorbidity adjustment under the IPF PPS. The table lists only the FY 2012 new codes, and does not reflect all of the currently valid ICD codes applicable for the IPF PPS comorbidity adjustment. The FY 2012 IPF Pricer will be updated to include these codes in the comorbidity tables, effective for discharges on or after October 1, 2012.

Diagnosis Code	Description	Comorbidity category
173.00	Unspecified malignant neoplasm of skin of lip	Oncology Treatment
173.01	Basal cell carcinoma of skin of lip	Oncology Treatment
173.02	Squamous cell carcinoma of skin of lip	Oncology Treatment
173.09	Other specified malignant neoplasm of skin of lip	Oncology Treatment
173.10	Unspecified malignant neoplasm of eyelid, including canthus	Oncology Treatment
173.11	Basal cell carcinoma of eyelid, including canthus	Oncology Treatment
173.12	Squamous cell carcinoma of eyelid, including canthus	Oncology Treatment
173.19	Other specified malignant neoplasm of eyelid, including canthus	Oncology Treatment
173.20	Unspecified malignant neoplasm of skin of ear and external auditory canal	Oncology Treatment
173.21	Basal cell carcinoma of skin of ear and external auditory canal	Oncology Treatment
173.22	Squamous cell carcinoma of skin of ear and external auditory canal	Oncology Treatment
173.29	Other specified malignant neoplasm of skin of ear	Oncology Treatment

	and external auditory canal	
173.30	Unspecified malignant neoplasm of skin of other and unspecified parts of face	Oncology Treatment
173.31	Basal cell carcinoma of skin of other and unspecified parts of face	Oncology Treatment
173.32	Squamous cell carcinoma of skin of other and specified parts of face	Oncology Treatment
173.39	Other specified malignant neoplasm of skin of other and unspecified part of face	Oncology Treatment
173.40	Unspecified malignant neoplasm of scalp and skin of neck	Oncology Treatment
173.41	Basal cell carcinoma of scalp and skin of neck	Oncology Treatment
173.42	Squamous cell carcinoma of scalp and skin of neck	Oncology Treatment
173.49	Other specified malignant neoplasm of scalp and skin of neck	Oncology Treatment
173.50	Unspecified malignant neoplasm of skin of trunk, except scrotum	Oncology Treatment
173.51	Basal cell carcinoma of skin of trunk, except scrotum	Oncology Treatment
173.52	Squamous cell carcinoma of skin of trunk, except scrotum	Oncology Treatment
173.59	Other specified malignant neoplasm of skin of trunk, except scrotum	Oncology Treatment
173.60	Unspecified malignant neoplasm of skin of upper limb, including shoulder	Oncology Treatment
173.61	Basal cell carcinoma of skin of upper limb, including shoulder	Oncology Treatment
173.62	Squamous cell carcinoma of skin of upper limb, including shoulder	Oncology Treatment
173.69	Other specified malignant neoplasm of skin of upper limb, including shoulder	Oncology Treatment
173.70	Unspecified malignant neoplasm of skin of lower limb, including hip	Oncology Treatment
173.71	Basal cell carcinoma of skin of lower limb, including hip	Oncology Treatment
173.72	Squamous cell carcinoma of skin of lower limb, including hip	Oncology Treatment
173.79	Other specified malignant neoplasm of skin of lower limb, including hip	Oncology Treatment
173.80	Unspecified malignant neoplasm of other specified sites of skin	Oncology Treatment
173.81	Basal cell carcinoma of other specified sites of skin	Oncology Treatment
173.82	Squamous cell carcinoma of other specified sites of skin	Oncology Treatment
173.89	Other specified malignant neoplasm of other specified sites of skin	Oncology Treatment
173.90	Unspecified malignant neoplasm of skin, site unspecified	Oncology Treatment
173.91	Basal cell carcinoma of skin, site unspecified	Oncology Treatment
173.92	Squamous cell carcinoma of skin, site unspecified	Oncology Treatment

173.99	Other specified malignant neoplasm of skin, site unspecified	Oncology Treatment
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The table below lists the FY 2012 **invalid** ICD-9-CM codes no longer applicable for the comorbidity adjustment. The FY 2012 IPF Pricer will be updated to remove these codes in the comorbidity tables, effective for discharges on or after October 1, 2011.

Diagnosis Code	Description	Comorbidity Category
173.0	Other malignant neoplasm of skin of lip	Oncology Treatment
173.1	Other malignant neoplasm of skin of eyelid, including canthus	Oncology Treatment
173.2	Other malignant neoplasm of skin of ear and external auditory canal	Oncology Treatment
173.3	Other malignant neoplasm of skin of other and unspecified parts of face	Oncology Treatment
173.4	Other malignant neoplasm of scalp and skin of neck	Oncology Treatment
173.5	Other malignant neoplasm of skin of trunk, except scrotum	Oncology Treatment
173.6	Other malignant neoplasm of skin of upper limb, including shoulder	Oncology Treatment
173.7	Other malignant neoplasm of skin of lower limb, including hip	Oncology Treatment
173.8	Other malignant neoplasm of other specified sites of skin	Oncology Treatment
173.9	Other malignant neoplasm of skin, unspecified	Oncology Treatment

Because CMS has a new requirement to include related ICD-10 codes where applicable, the following table provides the current equivalent ICD-10-CM code for informational purposes only. The IPF PPS will be fully converted to ICD-10 by October 1, 2013. Note that the following ICD-10-CM codes were obtained from the ICD-10-CM 2011 Mappings because the FY 2012 Mappings are not available at this time.

Diagnosis Code	ICD-10-CM	Description
173.0	C44.0	Malignant Neoplasm of Skin of Lip
173.1	C44.10	Malignant Neoplasm Skin Uns Eyelid Incl Canthus
	C44.11	Malignant Neoplasm Skin Rt. Eyelid Incl Canthus
	C44.12	Malignant Neoplasm Skin Left Eyelid Incl Canthus
173.2	C44.20	Malignant Neoplasm Skin Uns Ear & Ext Auricular canal
	C44.21	Malignant Neoplasm Skin Rt. Ear & Ext Auricular Canal
	C44.22	Malignant Neoplasm Skin Left Ear & Ext Auricular Canal
173.3	C44.30	Malignant Neoplasm of Skin unspecified Part Face
	C44.31	Malignant Neoplasm of Skin of Nose
	C44.39	Malignant Neoplasm of Skin other Parts of Face
173.4	C44.4	Malignant Neoplasm of Skin of Scalp and Neck
173.5	C44.51	Malignant Neoplasm of Anal Skin
	C44.52	Malignant Neoplasm of Skin of Breast
	C44.59	Malignant Neoplasm of Other Part of Trunk

173.6	C44.60	Malignant Neoplasm Skin Uns Up Limb Incl Shoulder
	C44.61	Malignant Neoplasm Skin Right Up Limb Incl Shoulder
	C44.62	Malignant Neoplasm Skin left Up limb Incl Shoulder
173.7	C44.70	Malignant Neoplasm of Skin Uns Low Limb Incl Hip
	C44.71	Malignant Neoplasm of Skin of Rt. Low Limb Incl Hip
	C44.72	Malignant Neoplasm of Skin Left of Low Limb Incl Hip
173.8	C44.8	Malignant Neoplasm of overlapping sides of Skin
173.9	C44.9	Malignant Neoplasm of Skin Unspecified

The table below lists the FY 2012 **revised** ICD-9-CM diagnosis codes that impact the comorbidity adjustment under the IPF PPS. The table only lists the FY 2012 revised codes and does not reflect all of the currently valid ICD codes applicable for the IPF PPS comorbidity adjustment.

Diagnosis Code	Description	Comorbidity Category
317	Mild intellectual disabilities	Development Disabilities
318.0	Moderate intellectual disabilities	Development Disabilities
318.1	Severe intellectual disabilities	Development Disabilities
318.2	Profound intellectual disabilities	Development Disabilities
319	Unspecified intellectual disabilities	Development Disabilities
968.5	Surface (topical) and infiltration anesthetics	Poisoning

The ICD-10-CM codes for the Revised Diagnosis Codes were obtained from the ICD-10-CM 2011 Mappings.

Diagnosis Code	Description	ICD-10-CM
317	Mild intellectual disabilities	F70 Mild intellectual disabilities
318.0	Moderate intellectual disabilities	F71 Moderate intellectual disabilities
318.1	Severe intellectual disabilities	F72 Severe intellectual disabilities
318.2	Profound intellectual disabilities	F73 Profound intellectual disabilities
319	Unspecified intellectual disabilities	F78 Other mental retardation
		F79 Unspecified mental retardation
968.5	Surface (topical) and infiltration anesthetics	T41.3x1A Poison by Local Anes Acc Unintentional Int Enc
		T41.3x2A Poison by Local Anes Self-Harm Init Enc
		T41.3x3A Poisoning by Local Anes Assault Initial Encntr
		T41.3x4A Poisoning by Local Anes Undet initial Encntr

The table below lists the seventeen comorbidity categories for which we are providing an adjustment, their respective codes, including the new FY 2012 ICD codes, and their respective adjustment factors.

Description of Comorbidity	Diagnoses Codes	Adjustment Factor
Developmental Disabilities	317, 3180, 3181, 3182, and 319.	1.04
Coagulation Factor Deficits	2860 through 2864.	1.13
Tracheostomy	51900 through 51909 and V440.	1.06

Description of Comorbidity	Diagnoses Codes	Adjustment Factor
Renal Failure, Acute	5845 through 5849, 63630, 63631, 63632, 63730, 63731, 63732, 6383, 6393, 66932, 66934, 9585.	1.11
Renal Failure, Chronic	40301, 40311, 40391, 40402, 40412, 40413, 40492, 40493, 5853, 5854, 5855, 5856, 5859,586, V4511, V4512, V560, V561, and V562.	1.11
Oncology Treatment	1400 through 2399 with a radiation therapy code 92.21-92.29 or chemotherapy code 99.25.	1.07
Uncontrolled Diabetes-Mellitus with or without complications	25002, 25003, 25012, 25013, 25022, 25023, 25032, 25033, 25042, 25043, 25052, 25053, 25062, 25063, 25072, 25073, 25082, 25083, 25092, and 25093.	1.05
Severe Protein Calorie Malnutrition	260 through 262	1.13
Eating and Conduct Disorders	3071, 30750, 31203, 31233, and 31234.	1.12
Infectious Disease	01000 through 04110, 042, 04500 through 05319, 05440 through 05449, 0550 through 0770, 0782 through 07889, and 07950 through 07959.	1.07
Drug and/or Alcohol Induced Mental Disorders	2910, 2920, 29212, 2922, 30300, and 30400.	1.03
Cardiac Conditions	3910, 3911, 3912, 40201, 40403, 4160, 4210, 4211, and 4219.	1.11
Gangrene	44024 and 7854.	1.10
Chronic Obstructive Pulmonary Disease	49121, 4941, 5100, 51883, 51884, V4611, V4612, V4613 and V4614.	1.12
Artificial Openings— Digestive and Urinary	56960 through 56969, 9975, and V441 through V446.	1.08
Severe Musculoskeletal and Connective Tissue Diseases	6960, 7100, 73000 through 73009, 73010 through 73019, and 73020 through 73029.	1.09
Poisoning	96500 through 96509, 9654, 9670 through 9699, 9770, 9800 through 9809, 9830 through 9839, 986, 9890 through 9897.	1.11

II. BUSINESS REQUIREMENTS TABLE

“Shall” denotes a mandatory requirement.

Number	Requirement	Responsibility (place an “X” in each applicable column)						
		A	D	F	C	R	Shared-System Maintainers	O
		/	M	I	A	H		T
		B	E		R	H		H

		M A C	M A C		R I E R	I	F I S S	M C S	V M S	C W F	E R
7506.1	FISS shall install and pay claims with the ICD-9 update to the FY 2012 IPF Pricer for discharges on or after October 1, 2011.	X		X			X				
7506.2	Contractors shall note that the appropriate ICD-10 code(s) are listed within this CR. NOTE: Contractors are <u>not</u> required to track the ICD-10 code/edits (and add the code(s)/edit(s) to their system when applicable) and ensure that the updated edit is functional as part of the ICD-10 implementation because this coding will be done within the IPF PPS Pricer and not by the contractor or maintainer.	X		X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M A C	F I	C A R I E R	R H I	Shared-System Maintainers				O T H E R
						F I S S	M C S	V M S	C W F		
7506.3	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/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 site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your 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		X							

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirement: N/A
“Should” denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s):

Shauntari Cheely at shauntari.cheely1@cms.hhs.gov
Cami DiGiacomo at cami.digiacomom@cms.hhs.gov
Sarah Shirey-Losso at sarah.shirey-losso@cms.hhs.gov

Post-Implementation Contact(s): Your Contracting Officer’s Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*, use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For *Medicare Administrative Contractors (MACs)*, include the following statement:

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.