

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1082</b>	<b>Date: April 27, 2012</b>
	<b>Change Request 7815</b>

**SUBJECT: FISS update for Clinical Laboratory Fee Schedule upload to include Kansas Payment Locality Structure**

**I. SUMMARY OF CHANGES:** This Change request will instruct claims processing contractors to incorporate an additional Kansas payment locality in the Clinical Laboratory Fee Schedule into their system using a work-around methodology of creating a second proxy carrier number instead of locality codes to ensure correct pricing for laboratory services submitted in Kansas.

**EFFECTIVE DATE: October 1, 2012**

**IMPLEMENTATION DATE: October 1, 2012**

*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.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	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:**

##### **One-Time Notification**

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

# Attachment – One-Time Notification

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**SUBJECT: FISS update for Clinical Laboratory Fee Schedule upload to include Kansas Payment Locality Structure**

**Effective Date: October 1, 2012**

**Implementation Date: October 1, 2012**

## I. GENERAL INFORMATION

- A. Background:** CMS discovered that there is an inconsistency in the payment rates for claims submitted in an east Kansas locality. Clinical Laboratory claims are being paid only one Kansas rate. This Change Request (CR) intends to correct this deficiency.
- B. Policy:** For 2010, CMS provided a Clinical Laboratory Fee Schedule which included two payment locality numbers for East and West Kansas. Contractor #05202/Locality 12 indicates West Kansas and contractor #05202/locality 15 indicates East Kansas. FISS does not use locality codes to pay Clinical Laboratory services so when there are two localities within one state, FISS must develop a work-around process in order to pay providers within the two localities their different rates.

## II. BUSINESS REQUIREMENTS TABLE

*Use of "Shall" denotes a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M A C	F I  I E R	C A R R I E R	R H R I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
7815.1	Contractor shall create a second carrier code for Kansas to handle payment for the two localities within the same State for Clinical Laboratory Fee Schedule services. (Similar to process used for Missouri).						X				
7815.2	Contractor shall make this change retroactive to January 1, 2010.						X				
7815.3	Contractors shall make changes to the HCPCS load process to allow the A/B MAC to load separate fee amounts to the HCPCS file for both carriers within the State of Kansas.	X		X			X				EDC's
7815.4	Contractors shall update the Provider Specific files as necessary to accommodate this change.	X		X							
7815.5	Medicare contractors shall adjust as appropriate claims	X		X							

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I  I E R	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	brought to their attention that were paid the incorrect Kansas rate.										

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I  I E R	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7815.6	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>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.</p>	X		X							

### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use of "Should" denotes a recommendation.*

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
	CR 6787

**Section B: For all other recommendations and supporting information, use this space:**

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Contact Fred Rooke at [fred.rooke@cms.hhs.gov](mailto:fred.rooke@cms.hhs.gov)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

## **VI. FUNDING**

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

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**Section B: 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.