CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 1411	**Date: JANUARY 11, 2008**
	Change Request 5876

SUBJECT: April 2008 Update to the Medicare Code Editor (MCE) and Grouper

I. SUMMARY OF CHANGES: This Change Request (CR) addresses the need for an April 2008 update to Grouper and MCE, due to the addition of patient status code 70. The new Patient Status Discharge Code 70 is defined as "Discharges or Transfers to Other Types of Health Care Institutions not defined elsewhere in the UB-04 (CMS-1450) Manual Code List," as described in CR 5764, Transmittal 1374 issued November 7, 2007.

New / Revised Material
Effective Date: Discharges on and after April 1, 2008
Implementation Date: April 7, 2008

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	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:
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):
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: 1411	Date: January 11, 2008	Change Request: 5876

SUBJECT: April 2008 Update to the Medicare Code Editor (MCE) and Grouper

Effective Date: **Discharges on and after April 1, 2008**

Implementation Date: April 7, 2008

I. GENERAL INFORMATION

A. Background: This Change Request (CR) addresses the need for an April 2008 update to Grouper and MCE, due to the addition of patient status code 70. The new Patient Status Discharge Code 70 is defined as "Discharges or Transfers to Other Types of Health Care Institutions not defined elsewhere in the UB-04 (CMS-1450) Manual Code List," as described in CR 5764, Transmittal 1374 issued November 7, 2007.

B. Policy: Section 503(a) of Pub. L. 108-173 included a requirement for updating ICD-9-CM codes twice a year instead of a single update on October 1 of each year. This requirement was included as part of the amendments to the Act relating to recognition of new technology under the Inpatient Prospective Payment System (IPPS). Section 503(a) amended section 1886(d) (5) (K) of the Act by adding a clause (vii) which states that the "Secretary shall provide for the addition of new diagnosis and procedure codes on April 1 of each year, but the addition of such codes shall not require the Secretary to adjust the payment (or diagnosis-related group classification) until the fiscal year that begins after such date. Although coding updates for April releases of Grouper\MCE will not adjust payment, a release may be necessary for CMS to update the DRG software and other systems in order to recognize and accept the new codes.

There are no new ICD-9-CM diagnosis or procedure codes effective April 1, 2008. However, for discharges on and after April 1, 2008 this will be a new Grouper and MCE to incorporate the new patient status code 70. Hospitals need to be aware of this change as to update their systems to incorporate the new Grouper and MCE as needed.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
5876.1	FISS and MCS shall install and edit claims with the MCE version 24.1 and Grouper version 25.1 software with the implementation of the April quarterly release. .	X		X	X		X	X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
5876.2	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 1 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	X			X			

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below: N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

B. For all other recommendations and supporting information, use this space: N\A

V. CONTACTS

Pre-Implementation Contact(s): Valeri Ritter at Valeri.ritter@cms.hhs.gov

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

A. For Fiscal Intermediaries, 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.

B. *For Medicare Administrative Contractors (MAC),* use the following statement:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). 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.