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| CMS Manual System | Department of Health & Human Services(DHHS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 1798 | Date: August 14, 2009 |
| | Change Request 6572 |

SUBJECT: Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2009

I. SUMMARY OF CHANGES: Annual update of Indian Health Service (IHS) hospital payment rates for calendar year 2009. The attached Recurring Updated Notification applies to Chapter 19, Sections 100.3.4, 100.4.2, and 100.5.

New / Revised Material

Effective Date: January 1, 2009

Implementation Date: September 15, 2009

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: N/A

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: 1798 | Date: August 14, 2009 | Change Request: 6572 |
|-------------|-------------------|-----------------------|----------------------|

SUBJECT: Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2009

Effective Date: January 1, 2009

Implementation Date: September 15, 2009

I. GENERAL INFORMATION

A. Background: The purpose of this notification is to inform the Trailblazer Health Enterprises, LLC, the contractor that processes IHS hospital claims, that CMS completed its review of the cost reports that IHS hospitals submitted for the fiscal year ending **September 30, 2007**. The cost reports, which IHS submitted, are for the purpose of calculating the Medicare reimbursement rates for IHS hospitals in Alaska and the lower 48 States for calendar year **2009**. The Office of Management and Budget approved the rates listed in the attachment to this notice. The IHS published these rates in the **Federal Register** on **June 10, 2009**. However, Trailblazer Health Enterprises, LLC, did not have CMS approval to make payment adjustments for the changes in the outpatient rate, the ancillary Part B rate, and the swing-bed rate.

This notification informs Trailblazer Health Enterprises, LLC, of the hospital outpatient and ancillary Part B rates. Prior years' notices included swing-bed rates on the attachment along with the IHS outpatient and ancillary Part B rates. Swing-bed rates, which are applicable to all providers including IHS providers, are published annually in a separate notice updating PRM 1, §2231. Swing-bed rates are not included in this notice and will not be included in future notices publishing IHS hospital rates.

This notification authorizes Trailblazer Health Enterprises, LLC to make payment adjustments as necessary resulting from the rate changes for the **2009** calendar year.

B. Policy: Section 1880 of the Social Security Act authorizes CMS to establish payment mechanisms and payment rates to Indian Health Service Facilities.

II. BUSINESS REQUIREMENTS TABLE

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|--|---|-------------|--------|---------------------------------|-------------|------------------------------|-------------|-------------|-------------|---|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| 6572.1 | Trailblazer Health Enterprises, LLC, shall implement the payment rates set forth in this transmittal. | X | | | | | | | | | X (Trailblazer Health Enterprises, LLC) |
| 6572.2 | Trailblazer Health Enterprises, LLC, shall adjust the claims for the difference between the 2008 and 2009 IHS Rates. | X | | | | | | | | | X (Trailblazer Health Enterprises, LLC) |
| 6572.3 | Trailblazer Health Enterprises, LLC, shall make any required payment adjustments. | X | | | | | | | | | X (Trailblazer Health Enterprises, LLC) |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|-------------|---|-------------|--------|----------------------------|------------------|------------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C 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 | |
| | None. | | | | | | | | | | |

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:
N/A

| X-Ref Requirement Number | Recommendations or other supporting information: |
|--------------------------|--|
| | |

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

V. CONTACTS

Pre-Implementation Contact(s): Edwin Gill 410-786-4525, Steve Raitzyk 410-786-4599, Susan Burris 410-786-6655, Darryl Simms 410-786-4524.

Post-Implementation Contact(s): Same as above

VI. FUNDING

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

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.

ATTACHMENT: Schedule of Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2009

Schedule of Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2009

| | <u>CY 2008*</u> | <u>CY 2009</u> |
|-------------------------------------|------------------------|-----------------------|
| <u>Lower 48 States</u> | | |
| Medicare Inpatient Ancillary Part B | \$373 | \$397 |
| Medicare Outpatient Per Visit Rate | \$215 | \$230 |
| <u>Alaska</u> | | |
| Medicare Inpatient Ancillary Part B | \$650 | \$705 |
| Medicare Outpatient Per Visit Rate | \$365 | \$407 |

* Prior year rates presented for information and comparison.