



Payments to Institutional Providers with Multiple Service Delivery Locations – JA6300

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Date Job Aid Revised: February 27, 2009

Effective Date: October 1, 2007

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Key Words MM6300, CR6300, R1681CP, Locations, MPFS, Anesthesia

Contractors Affected

- Part A/B Medicare Administrative Contractors (A/B MACs)
- Fiscal Intermediaries (FIs)

Provider Types Affected Hospitals and other institutional providers who bill A/B MACs or FIs for providing services, which are paid under the Medicare Physician Fee Schedule (MPFS), to Medicare beneficiaries



- Change Request (CR) 6300 provides instructions for the FI Shared System (FISS) to map the nine-digit service facility ZIP code reported in data element N403 of loop 2310E of an incoming 837 institutional claim to a payer-only value code in order to capture the ZIP code of the service facility when it differs from the main provider's address.
- This will make the data available to the payment logic in FISS so proper payment can be made based on the MPFS.

Provider Needs to Know...

- A/B MACs or FIs will assign payment localities based on the ZIP code of the actual service facility location, rather than the main provider's address when services are paid under the MPFS.
- **On claims submitted via the 837 institutional claim** to A/B MACs or FIs, Medicare will use the nine-digit ZIP code reported in the 2310E loop (when present) to determine the payment locality to apply to payments for MPFS and anesthesia services.
- **For claims submitted via Direct Data Entry or paper formats**, Medicare contractors will continue to use the ZIP code associated with provider's master address to determine the payment location.

Background

- Since institutional providers have historically operated from a single physical location, the provider files in Medicare's FISS contain only a provider's single master address.
- Where a nine-digit ZIP code is required, this master address has been used to determine the fee amount for services that are paid under the MPFS.
- Increasingly, hospitals are operating off-site outpatient facilities, and other institutional outpatient service providers are operating multiple satellite offices. Sometimes these facilities are in different payment locations than the parent provider.
- In order for MPFS and anesthesia payments to be accurate, the nine-digit ZIP code of the off-site or satellite facility should be used to determine the locality.
- CR5243 (released January 2007) instructed Medicare outpatient service providers to report the nine-digit ZIP code of the actual service facility location in the 2310E loop of the 837 institutional claim transaction.
- Because there is no corresponding field in its internal claim record to carry a service facility nine-digit ZIP code, FISS has not been able to implement this change.

Operational
Impact

When the provider brings to their Medicare contractor's attention timely claims that were paid inaccurately because the service facility ZIP code was lacking, the contractor will adjust the claims by appending the value code and the service facility ZIP code that the provider specifies.

Reference
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6300.pdf> on the CMS website.

The official instruction (CR6300) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1681CP.pdf> on the CMS website.

Providers may review the MLN Matters article relating to CR5243 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5243.pdf> on the CMS website.
