

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



**News Flash** – The Centers for Medicare & Medicaid Services (CMS) is pleased to announce the scheduled release of modifications to the Healthcare Common Procedure Coding System (HCPCS) code set. These changes have been posted to the HCPCS website at [http://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/HCPCS\\_Quarterly\\_Update.html](http://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/HCPCS_Quarterly_Update.html). Changes are effective on the date indicated on the update.

MLN Matters® Number: MM7798

Related Change Request (CR) #: 7798

Related CR Release Date: April 26, 2012

Effective Date: January 1, 2012

Related CR Transmittal #: R10770TN

Implementation Date: October 1, 2012

## Update to the Fiscal Intermediary Shared Systems (FISS) Processing for the End Stage Renal Disease (ESRD) Quality Incentive Program (QIP) for Children's Hospitals

### Provider Types Affected

This MLN Matters® Article is intended for Children's hospitals submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and A/B Medicare Administrative Contractors (MACs)) for services to Medicare beneficiaries.

### What You Need to Know

This article is based on Change Request (CR) 7798 which informs Medicare contractors about changes to Medicare claims processing. Medicare systems will no longer default the Quality Indicator Field on the Outpatient Provider Specific File (OPSF) to blank each year for Children's hospitals (series XX3300-XX3399). Medicare contractors will ensure a blank is sent to the End Stage Renal Disease (ESRD) PRICER for the Quality Indicator, field 74, for Children's hospitals (series XX3300-XX3399). Medicare contractors will not apply a QIP reduction based on the OPSF quality indicator to the ESRD Prospective Payment System (PPS) payment for Children's hospitals (series XX3300-XX3399) for the separately billable services under the ESRD PPS transitional payment as referenced in CR7460.5.

#### Disclaimer

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In addition, Children's Hospitals may have received incorrect Outmigration Adjustments on their ESRD claims due to the fact that the Special Payment Indicator and Special Wage Index fields are shared with ESRD facilities and outpatient hospitals. Medicare contractors will ensure a blank is sent to the ESRD PRICER for the Special Wage Index and the Special Payment Indicator (fields 90 and 96 on the OPSF) for Children's Hospitals (series XX3300-XX3399) for dates of service beginning January 1, 2011 and beyond.

Medicare contractors will automatically adjust any ESRD claims (TOB 72X) for Children's hospitals (series XX3300-XX3399) that were processed with dates of service in 2012 that received QIP reductions incorrectly. They will also automatically adjust any claims for dates of service beginning January 1, 2011 and beyond that were processed with Outmigration adjustments incorrectly.

Medicare contractors will complete these adjustments within 60 days upon the successful implementation of CR7798 (or by December 1, 2012). Please make sure your billing staff is aware of these changes.

## Background

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Section 153c of the Medicare Improvements for Patients and Providers Act (MIPPA), required the Centers for Medicare & Medicaid Services (CMS) to implement a quality based payment program for dialysis services with payment consequences effective January 1, 2012. CR7460 included a requirement for the FISS to default the quality indicator field on the Outpatient Provider Specific File (OPSF) for ESRD facilities to blank each year. Because Children's hospitals bill both outpatient hospital claims and ESRD claims assigned to the same provider number (series 3300-3399), defaulting the quality indicator to blank may have created incorrect payments for their outpatient hospital claims. For payment years 2012 and 2013, the measures applicable to the ESRD QIP do not impact pediatric patients and, therefore, it is not expected that a Children's hospital would have an ESRD QIP adjustment.

This instruction does not change existing policy for the QIP and Outmigration Adjustments.

## Additional Information

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The official instruction, CR7798 issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1077OTN.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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