

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



**News Flash –**

REVISED product from the Medicare Learning Network® (MLN)

- [“Avoiding Medicare Fraud & Abuse: A Roadmap for Physicians,”](#) Web-based Training Course

MLN Matters® Number: MM7815

Related Change Request (CR) #: CR 7815

Related CR Release Date: April 27, 2012

Effective Date: October 1, 2012

Related CR Transmittal #: R10820TN

Implementation Date: October 1, 2012

## **Fiscal Intermediary Standard System (FISS) update for Clinical Laboratory Fee Schedule Upload to Include Kansas Payment Locality Structure**

### **Provider Types Affected**

This MLN Matters® Article is intended for providers who bill Medicare Fiscal Intermediaries (FIs) or Medicare Administrative Contractors (A/B MACs) for providing Clinical Laboratory Services to Medicare beneficiaries in the State of Kansas.

### **Provider Action Needed**



#### **STOP – Impact to You**

Change Request (CR) 7815, from which this article is taken, corrects an inconsistency in the payment rates for Clinical Laboratory claims submitted in an east Kansas locality, effective October 1, 2012.



#### **CAUTION – What You Need to Know**

The Centers for Medicare & Medicaid Services (CMS) discovered that there is an inconsistency in the payment rates for claims for Clinical Laboratory Fee Schedule services that are submitted in the East Kansas locality. In this inconsistency, providers are being paid only one Kansas rate rather than one

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rate for the West Kansas locality and another for the East Kansas locality. CR7815 instructs your FI or A/B MAC to incorporate an additional Kansas Clinical Laboratory Fee Schedule payment locality into their system (effective October 1, 2012) to ensure correct pricing for laboratory services submitted in Kansas. This change will be retroactive to January 1, 2010.



### GO – What You Need to Do

You should make sure that your billing staffs are aware of the change in the Kansas Clinical Laboratory Fee Schedule.

## Background

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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. See MLN Matters® Article MM6787 “Revised Clinical Laboratory Fee Schedule and ZIP Code File to Include New Kansas Payment Locality Structure,” released on February 12, 2010, which you can find at <http://www.cms.gov/MLNMattersArticles/downloads/MM6787.pdf> on the CMS website).

The Fiscal Intermediary Standard System (FISS), however, does not use locality codes to pay Clinical Laboratory services, so although there are two localities within the State, claims are being paid at only a single Kansas rate. CR7815, from which this article is taken, instructs the FISS contractor to develop a work-around process in order to pay providers within the two localities their different rates, effective October 1, 2012.

In this process, the FISS contractor will create a second carrier code for Kansas to handle Clinical Laboratory Fee Schedule services payment for the two localities within the State. (Similar to the process used for Missouri). They are to make this change retroactive to January 1, 2010.

Additionally, it instructs FIs and A/B MACs to incorporate an additional Kansas Clinical Laboratory Fee Schedule payment locality in the into their system by creating a second proxy carrier number, instead of using locality codes, to ensure correct pricing for laboratory services submitted in Kansas. Your Medicare contractor will adjust claims paid the incorrect amount if you bring such claims to their attention.

## Additional Information

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You can find the official instruction, CR7815, issued to your FI or A/B MAC by visiting <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1082OTN.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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