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Implementation Date: January 3, 2005

MMA – Processing Part B Claims for the Indian Health Services (IHS)

Provider Types Affected

Indian Health Services, tribe and tribal organizations (non-hospital or non-hospital based) facilities

Provider Action Needed

This instruction notifies affected providers and suppliers that beginning January 1, 2005; IHS facilities can bill Medicare for other Part B services, such as Durable Medical Equipment (DME), prosthetics, orthotics, therapeutic shoes, clinical laboratory services, and ambulance services. Coverage of these other Part B items and service are for a five-year period beginning January 1, 2005.

Background

The Social Security Act (SSA) provides for payment to IHS facilities for services paid under the physician fee schedule. Additionally, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMS, Section 630) allows IHS, tribe and tribal organization facilities to bill for other Part B services that are not covered under the SSA (Section 1848). Therefore, the Centers for Medicare & Medicaid Services (CMS) is amending the Medicare Claims Processing Manual (Pub 100-04), to allow HIS, tribe and tribal organization facilities to bill for all other Part B services that are not paid for under the physician fee schedule. (See the Additional Information section below.) This expansion of scope of services is for a five-year period beginning January 1, 2005.

IHS, tribe and tribal organization facilities may bill for all other Part B services that are not paid under the physician fee schedule and that are not included in the Medicare IHS all-inclusive rate. Specifically, for the five-year period beginning January 1, 2005, IHS, tribe and tribal organization facilities may bill Medicare for the following Part B services:

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- DME
- Prosthetics and orthotics
- Prosthetic devices
- Surgical dressings, splints, and casts
- Therapeutic shoes
- Drugs (those normally billed under Part B and to DME Regional Carriers (DMERCs))
- Clinical laboratory services
- Ambulance services

IHS and tribally operated hospitals and clinics associated with hospitals that meet the definition of provider-based in regulations at 42 Code of Federal Regulations (CFR) 413.65, and are currently reimbursed under the all-inclusive rate for services paid under the physician fee schedule, will continue this practice. If and when these facilities decide to bill for items on the Durable Medicare Equipment, Prosthetics, Orthotics, and Equipment (DMEPOS) fee schedule, they must enroll as a supplier through the National Supplier Clearinghouse (NSC) and bill the appropriate DMERC.

An IHS tribe or tribal organization facility **furnishing clinical laboratory services** must accomplish the following:

- Meet the applicable requirements of the Clinical Laboratory Amendment (CLIA) requirements as specified in 42 CFR, Section 493(f.)
- Enroll with Trailblazers and bill that carrier

An IHS tribe or tribal organization facility **furnishing ambulance services** (which will be paid based on the ambulance fee schedule) must accomplish the following:

- Meet the requirement of 42 CFR, Section 410.41
- Enroll with and bill Trailblazers

Outpatient Clinics (freestanding) operated by the IHS and **furnishing DMEPOS** will:

- Enroll with NSC as a "DME supplier"
- Comply with the supplier standards specified in 42 CFR, Section 424.57
- Submit all DMEPOS claims to the CIGNA DMERC, or (at the facility option) submit DME claims to the appropriate DMERC based on current DME jurisdiction rules.
- DMEPOS claims submitted to the DMERC must be billed with a place of service "12" (home).

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- Claims submitted to the DMERC must have a specialty code from the NSC. If "A9" the "A9" must not be transmitted as the "primary specialty" on DMEPOS claims.

Such outpatient clinics should note that to bill drugs to DMERCs, the supplier must be a pharmacy and a pharmacy license must be on file with the NSC. The NSC will give the pharmacy supplier a specific identifier. Also, if claims are submitted to CIGNA, note that CIGNA will not perform any other DMERC functions for non-DGCA claims. CIGNA will only route the non-CIGNA claims to the appropriate DMERC and that DMERC will be the point of contact for the supplier.

Additional Information

For complete details, including the revised sections of the Medicare Claims Processing Manual, please see the official instruction issued to your fiscal intermediary regarding this change. That instruction may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R241CP.pdf> on the CMS website.

If you have any questions, please contact your carrier/DMERC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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