

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



MLN Connects™ National Provider Call: National Partnership to Improve Dementia Care in Nursing Homes - *Tuesday, December 9; 1:30-3pm ET* -During this MLN Connects Call, speakers will discuss innovative efforts from State-based Alzheimer's Association Chapters related to train-the-trainer programs, as well as the implementation of the Comfort First Approach in nursing homes. CMS subject matter experts will provide National Partnership updates and discuss next steps for the initiative. [Register](#) or visit the [December 9](#) call web page for more information.

MLN Matters® Number: MM8384 Revised

Related Change Request (CR) #: CR 8384

Related CR Release Date: January 14, 2015

Effective Date: April 1, 2015

Related CR Transmittal #: R3164CP

Implementation Date: April 6, 2015

### Medicare Shared Systems Modifications Necessary to Capture Various HIPAA Compliant Fields

**Note:** This article was revised on January 15, 2015, to reflect a revised Change Request (CR) on January 14, 2015. That CR removed bill types 81x and 82x from Business Requirement 8384.2.4 (ZIP code mapping). The transmittal number, CR date, and the link to the CR also changed. All other information remains the same.

### Provider Types Affected

This MLN Matters® Article is intended for hospitals, other providers, and suppliers submitting institutional claims to Medicare Administrative Contractors (MACs) for services paid under the Medicare Physician Fee Schedule (MPFS).

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.

## Provider Action Needed

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This article is based on CR8384 which informs MACs that the Centers for Medicare & Medicaid Services (CMS) needs to expand institutional claim processing fields and to update items on the version 5010 837I flat files. Specifically, CMS is:

- Updating the Direct Data Entry (DDE) screens to allow entry of three Patient Reason for Visit Codes;
- Updating the DDE screens to allow entry of a nine-digit ZIP code for the service facility; and
- Editing to ensure that when a Patient Reason for Visit code is received that the 5010 requirements for claims are enforced (that is to say that the services billed involve unscheduled outpatient visits Type of Bill (TOB) 013x or 085x together with Priority of Visit/Type of Admission codes 1,2 or 5 and Revenue Codes 045X, 0516, or 0762). Claims failing this edit will Return To the Provider (RTP).

Medicare outpatient service providers report the nine-digit ZIP code of the service facility location in the 2310E loop of the 837 Institutional claim transaction. Direct Data Entry submitters also are required to report the nine-digit ZIP code of the service facility location for off-site or multiple satellite office outpatient facilities. DDE submitters should key the 9 digit service facility's ZIP code in the "FAC.ZIP" field found on MAP 1711. Paper Submitters shall report this information in Form Locator (FL) 01 on the paper claim form. Medicare systems use this service facility ZIP code to determine the applicable payment locality whenever it is present.

Make sure that your billing staffs are aware of these changes.

## Background

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Services that are paid subject to the Medicare Physician Fee Schedule (MPFS) are adjusted based on the applicable payment locality. Medicare systems determine which locality applies using ZIP codes. In cases where the provider has only one service location, the payment locality used to calculate the fee amount is determined using the ZIP code of the master address contained in the Medicare contractors' provider file.

Increasingly, hospitals operate off-site outpatient facilities and other institutional outpatient service providers operate multiple satellite offices. In some cases, these additional locations are in a different payment locality than the parent provider. In order for MPFS payments to be accurate, the nine-digit ZIP code of the satellite facility is used to determine the locality in these cases.

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## Additional Information

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The official instruction, CR8384 issued to your MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3164CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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