

Thursday, June 30, 2016

## News & Announcements

ESRD and DMEPOS: Proposed Updates to CY 2017 Policies and Payment Rates  
Home Health Agencies: Proposed Payment Changes for CY 2017  
July 2016 DMEPOS Fee Schedules Available  
Moratoria Provider Services and Utilization Data Tool  
EHR Incentive Program: Hardship Exception Applications Due by July 1  
CMS to Release a CBR on Physician Assistant Use of Modifier 25 in July  
Updated Inpatient and Outpatient Data Available

## Claims, Pricers & Codes

2017 ICD-10-CM and ICD-10-PCS Files Available

## Upcoming Events

Clinical Diagnostic Laboratory Test Payment System Final Rule Call — July 6  
DMEPOS Competitive Bidding Program Round 2 Recompete Webinars — July 7 and 12  
Quality Measures and the IMPACT Act Call — July 7  
SNF Quality Reporting Program Call — July 12  
Comparative Billing Report on Diabetic Testing Supplies Webinar — July 27

## Medicare Learning Network<sup>®</sup> Publications & Multimedia

Medicare Coverage of Diagnostic Testing for Zika Virus MLN Matters<sup>®</sup> Article — New  
Recovering Overpayments from Providers Who Share TINs MLN Matters Article — New  
Implementation of Section 2 of the PAMPA MLN Matters Article — New  
Physician Compare Call: Audio Recording and Transcript — New  
SBIRT Services Fact Sheet — Reminder  
Remittance Advice Resources and FAQs Fact Sheet — Reminder

## News & Announcements

### ESRD and DMEPOS: Proposed Updates to CY 2017 Policies and Payment Rates

CMS Proposed Updates to Policies and Payment Rates for ESRD PPS, QIP, Coverage and Payment for Acute Kidney Injury, DMEPOS Competitive Bidding Program and Fee Schedule, and CEC Model

On June 24, CMS issued a proposed rule ([CMS 1651-P](#)) that would update payment policies and rates under the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS) for renal dialysis services furnished to beneficiaries on or after January 1, 2017. This rule also:

- Proposes new quality measures to improve the quality of care by dialysis facilities treating patients with end-stage renal disease

- Implements the Trade Preferences Extension Act of 2015 provisions regarding the coverage and payment of renal dialysis services furnished by ESRD facilities to individuals with acute kidney injury
- Proposes changes to the ESRD Quality Incentive Program (QIP) for payment years 2018, 2019, and 2020
- Addresses issues related to the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP)
- Announces a Request for Applications for the Comprehensive ESRD Care (CEC) Model

The proposed CY 2017 ESRD PPS base rate is \$231.04. This amount reflects a reduced market basket increase as required by section 1881(b)(14)(F)(i)(I) of the Act (0.35 percent), application of the wage index budget-neutrality adjustment factor (0.999552), as well as the application of the home and self-dialysis training budget-neutrality adjustment factor (0.999729). The proposed CY 2017 ESRD PPS base rate is an increase of \$0.65 from the CY 2016 base rate of \$230.39 x 1.0035 = \$231.20; \$231.20 x 0.999552 = \$231.10; \$231.10 x 0.999729 = \$231.04. Proposed changes to the ESRD PPS for CY 2017 include:

- Annual update to the wage index and wage index floor
- Update to the outlier policy
- Impact analysis
- Home and self-dialysis training add-on payment adjustment
- Payment for hemodialysis when more than three treatments are furnished per week

Proposed changes to the DMEPOS CBP:

- Bid surety bond
- State licensure
- Appeals process for a breach of contract action(s)
- Bid limits
- Changes to the DMEPOS CBP and Fee Schedule for similar items with different features

Comments are due no later than 5 pm on August 23, 2016. See the full text of this excerpted [CMS fact sheet](#) (issued June 24).

## Home Health Agencies: Proposed Payment Changes for CY 2017

On June 27, CMS announced proposed changes to the Medicare Home Health (HH) Prospective Payment System for CY 2017 that would foster greater efficiency, flexibility, payment accuracy, and improved quality. CMS projects that Medicare payments to home health agencies in CY 2017 would be reduced by 1.0 percent, or \$180 million based on the proposed policies. The proposed decrease reflects the effects of the 2.3 percent home health payment update percentage (\$420 million increase); the rebasing adjustments to the national, standardized 60-day episode payment rate, the national per-visit payment rates, and the non-routine medical supplies conversion factor (\$420 million decrease); the effects of the -0.97 percent adjustment to the national, standardized 60-day episode payment rate to account for nominal case-mix growth for an impact of -0.9 percent (\$160 million decrease); and the effects of the proposed increase to the fixed-dollar loss ratio used in determining outlier payments from 0.45 to 0.56 for an estimate impact of -0.1 percent (\$20 million decrease).

Proposed changes include:

- Rebasing the 60-day episode rate
- Updates to reflect case-mix growth
- Negative pressure wound therapy

- Change in methodology and the fixed-dollar loss ratio used to calculate outlier payments
- HH Value-Based Purchasing Model

CMS also proposes to adopt four measures for the CY 2018 payment determination to meet the requirements of the Improving Medicare Post-Acute Care Transformation Act of 2014 ([IMPACT Act](#)). Three of these measures are resource-based and calculated using Medicare claims. The fourth measure is assessment-based and is calculated using Outcome and Assessment Information Set (OASIS) data. Proposed measures:

- All-condition risk-adjusted potentially preventable hospital readmission rates
- Total estimated Medicare spending per beneficiary
- Discharge to the community
- Medication reconciliation

For More Information:

- [Proposed Rule](#) (CMS-1648-P): Comments are due no later than 5 pm on August 26, 2016
- [HH PPS](#) website
- [HH Value-Based Purchasing Model](#) webpage
- [Home Health Quality Reporting Requirements](#) webpage

See the full text of this excerpted [CMS fact sheet](#) (issued June 27).

### July 2016 DMEPOS Fee Schedules Available

On June 23, CMS announced the release of the 2016 July Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee schedule amounts, including adjusted fees based on DMEPOS Competitive Bidding Program information. For more information on the DMEPOS and Parenteral and Enteral Nutrition (PEN) public use files, visit the [Durable Medical Equipment Center](#) webpage.

### Moratoria Provider Services and Utilization Data Tool

CMS developed a [Moratoria Provider Services and Utilization Data Tool](#) that includes interactive maps and a dataset that shows national, state, and county-level provider services and utilization data for selected health service areas. The data provide information on the number of Medicare providers servicing a geographic region and the number of Medicare beneficiaries who use a health service area. In addition to the ambulance and home health service areas that were included in the initial release, the second release also includes subdivided ambulance claims data, as well as claims data for independent diagnostic testing facilities and skilled nursing facilities.

See the full text of this excerpted [CMS fact sheet](#) (issued June 22).

### EHR Incentive Program: Hardship Exception Applications Due by July 1

The Medicare Electronic Health Record (EHR) Incentive Program 2017 hardship exception [instructions](#) and [application](#) for eligible professionals and eligible hospitals are available on the [Payment Adjustments & Hardship Information](#) webpage. See the [FAQs](#) webpage for answers to [specific hardship exception questions](#).

Please note: Critical Access Hospitals (CAHs) should use the [form](#) specific for the CAH hardship exceptions related to an EHR reporting period in 2015. CAHs that have already submitted a form for 2015 are not required to resubmit.

## **CMS to Release a CBR on Physician Assistant Use of Modifier 25 in July**

CMS will issue a national provider Comparative Billing Report (CBR) on physician assistant use of modifier 25 in July 2016. The CBR, produced by CMS contractor eGlobalTech, will focus on physician assistant claims for established patient evaluation and management services appended with modifier 25. CBRs contain data driven tables with an explanation of findings that compare providers' billing and payment patterns to those of their peers in their state and across the nation.

CBRs are only accessible to the providers who receive them; they are not publicly available. Providers should update their fax numbers in the Medicare Provider Enrollment, Chain, and Ownership System (PECOS) because faxing is the default method for disseminating the reports. Contact the CBR Support Help Desk at 800-771-4430 or [CBRsupport@eglobaltech.com](mailto:CBRsupport@eglobaltech.com) with questions or to receive CBRs by mail. For more information, visit the [CBR](#) website.

## **Updated Inpatient and Outpatient Data Available**

CMS posted the fourth annual release of the hospital inpatient and outpatient utilization and payment Public Use Files (PUFs):

- [2014 Inpatient PUF](#) includes discharges, average Medicare payments, and average hospital charges organized by Medicare Severity Diagnosis Related Group (MS-DRG)
- [2014 Outpatient PUF](#) includes services, average payments, and average hospital charges organized by Ambulatory Payment Classification (APC) Groups

## **Claims, Pricers & Codes**

### **2017 ICD-10-CM and ICD-10-PCS Files Available**

The 2017 ICD-10-CM and ICD-10-PCS code updates, including a complete list of code titles are available on the [2017 ICD-10-CM and GEMs](#) and [2017 ICD-10-PCS and GEMs](#) webpages. The posted files contain the complete versions of both ICD-10-CM (diagnoses) and ICD-10-PCS (procedures).

- 2017 General Equivalence Mappings (GEMs) will be posted in August 2016
- Official Coding Guidelines and the Present on Admission (POA) Exempt List will be available soon

## **Upcoming Events**

### **Clinical Diagnostic Laboratory Test Payment System Final Rule Call — July 6**

Wednesday, July 6 from 2:30 to 3:45 pm ET

To register or for more information, visit [MLN Connects® Event Registration](#). Space may be limited, register early.

During this call, CMS experts provide a high level overview of the final policies in the Clinical Diagnostic Laboratory Test Payment System final rule ([CMS-1621-F](#)). The final rule, issued by CMS on June 17, significantly revises the Medicare payment system for clinical diagnostic laboratory tests and discusses a related data collection system.

Agenda:

- Overview of final policies regarding CMS-1621-F
- Data collection system
- Questions and answers

Target Audience: Clinical diagnostic laboratory industry.

### **DMEPOS Competitive Bidding Program Round 2 Recompete Webinars — July 7 and 12**

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program was established by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 after the conclusion of successful demonstration projects. Under this program, the Round 2 Recompete and the national mail-order recompete contracts become effective on July 1, 2016. This webinar will provide an overview of the program, impacted product categories, locations, beneficiary protections, and points of contact to ensure a smooth transition.

Register for one of the upcoming webinars:

- [July 7](#) from 4 to 5:30 pm ET
- [July 12](#) from 11 am to 12:30 pm ET

### **Quality Measures and the IMPACT Act Call — July 7**

Thursday, July 7 from 1:30 to 3 pm ET

To register or for more information, visit [MLN Connects Event Registration](#). Space may be limited, register early.

During this call, CMS experts discuss key quality measures related to the Improving Medicare Post-Acute Care Transformation Act of 2014 ([IMPACT Act](#)) and how they will affect you. Also, find out about upcoming stakeholder engagement activities. Following the presentation, participants can share insights and thoughts on the measures during the question and answer/discussion session.

The IMPACT Act requires the reporting of standardized patient assessment data on quality measures, resource use, and other measures by Post-Acute Care (PAC) providers, including skilled nursing facilities, home health agencies, inpatient rehabilitation facilities, and long-term care hospitals.

Target Audience: PAC providers, healthcare industry professionals, clinicians, researchers, health IT vendors, and other interested stakeholders.

### **SNF Quality Reporting Program Call — July 12**

Tuesday July 12 from 1:30 to 3 pm ET

To register or for more information, visit [MLN Connects Event Registration](#). Space may be limited, register early.

Learn about the reporting requirements for the new Skilled Nursing Facility (SNF) Quality Reporting Program (QRP), effective October 1, 2016. The [Improving Medicare Post-Acute Care Transformation Act of 2014](#) (IMPACT Act) established the SNF QRP and requires the submission of standardized data.

Agenda:

- IMPACT Act
- Measures
- Reporting requirements for FY 2018 payment determination
- Consequences of failing to meet the reporting requirements
- Reconsideration and exception/extension procedures

Target Audience: SNF providers.

### **Comparative Billing Report on Diabetic Testing Supplies Webinar — July 27**

Wednesday, July 27 from 3 to 4:30 pm ET

Join CMS for an informative discussion of the comparative billing report on Diabetic Testing Supplies (CBR201609), an educational tool for Medicare suppliers who dispense glucose reagent strips and lancets for diabetic testing to Medicare beneficiaries. During the webinar, suppliers will interact directly with content specialists and submit questions about the report. See the [announcement](#) for more information, and find out how to participate.

## **Medicare Learning Network® Publications & Multimedia**

### **Medicare Coverage of Diagnostic Testing for Zika Virus MLN Matters® Article — New**

An MLN Matters Special Edition Article on [Medicare Coverage of Diagnostic Testing for Zika Virus](#) is available. Learn about Zika virus testing coverage under Medicare Part B.

### **Recovering Overpayments from Providers Who Share TINs MLN Matters Article — New**

An MLN Matters Special Edition Article on [Recovering Overpayments from Providers Who Share Tax Identification Numbers](#) (TINs) is available. Learn about Section 1866j(6) of the Social Security Act and enhancement of the CMS financial accounting system to recover overpayments from providers who share the same TIN.

### **Implementation of Section 2 of the PAMPA MLN Matters Article — New**

An MLN Matters Special Edition Article on [Implementation of Section 2 of the Patient Access and Medicare Protection Act](#) (PAMPA) is available. Learn about the impact on rates of certain Durable Medical Equipment items.

## Physician Compare Call: Audio Recording and Transcript — New

An [audio recording](#) and [transcript](#) are available for the June 16 call on [Physician Compare Initiative](#). CMS subject experts walk you through the information currently available, upcoming plans, and the future of Physician Compare under the Medicare Access and CHIP Reauthorization Act (MACRA).

## SBIRT Services Fact Sheet — Reminder

The [Screening, Brief Intervention, and Referral to Treatment \(SBIRT\) Services](#) Fact Sheet is available. SBIRT services are designed to identify, reduce, and prevent problematic substance use disorders. Learn about:

- Providing SBIRT services
- Coverage
- Documentation

## Remittance Advice Resources and FAQs Fact Sheet — Reminder

The [Remittance Advice Resources and FAQs](#) Fact Sheet is available. Learn about:

- Standard Paper Remittance (SPR) vs Electronic Remittance Advice (ERA)
- Enrolling in ERA
- Free Medicare ERA software
- Commercial ERA software

**[Like the eNews? Have suggestions? Please let us know!](#)**

[Subscribe](#) to the eNews. Previous issues are available in the [archive](#).

**Follow the MLN on [Twitter](#) #CMSMLN, and visit us on [YouTube](#).**

This newsletter is current as of the issue date. View the complete [disclaimer](#).  
The Medicare Learning Network®, MLN Connects®, and MLN Matters® are registered trademarks of the U.S.  
Department of Health and Human Services (HHS).