

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 2047</b>	<b>Date: March 20, 2018</b>
	<b>Change Request 10531</b>

**Transmittal 4003, dated March 16, 2018, is being rescinded and replaced by Transmittal 2047, dated, March 20, 2018 to revise the Provider Education section and change the CR type from a Confidential CR to a One Time Notification. All other information remains the same.**

**SUBJECT: Claims Processing Actions to Implement Certain Provisions of the Bipartisan Budget Act of 2018**

**I. SUMMARY OF CHANGES:** The purpose of this CR is to provide direction to reprocess claims related to several provisions of the Bipartisan Budget Act of 2018, referred to as Medicare Extenders.

**EFFECTIVE DATE: January 1, 2018**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: April 2, 2018 - date to begin reprocessing claims**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One Time Notification**

# Attachment - One-Time Notification

Pub. 100-20	Transmittal: 2047	Date: March 20, 2018	Change Request: 10531
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## I. GENERAL INFORMATION

**A. Background:** On February 9, 2018, Congress passed the Bipartisan Budget Act of 2018 which contains a number of provisions that extend certain Medicare Fee For Service (FFS) policies, including Ambulance add-on payment provisions, the Work GPCI Floor, and the 3% HH Rural Add-on Payment. In addition, the Act permanently repeals the outpatient therapy caps beginning on January 1, 2018, while retaining the requirement to submit the KX modifier for services in excess of the prior cap amounts. Due to the retroactive effective dates of these provisions, various Medicare FFS claims shall be reprocessed. This Change Request (CR) provides guidance to Medicare Administrative Contractors (MACs) regarding Medicare FFS claims reprocessing requirements and timeframes.

Section 421(a) of the Medicare Modernization Act (MMA), as amended by section 50208 of the Act, provides an increase of 3 percent of the payment amount otherwise made under section 1895 of the Act for home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Act), with respect to episodes and visits ending on or after April 1, 2010 and before January 1, 2019. The statute waives budget neutrality related to this provision, as the statute specifically states that the Secretary shall not reduce the standard prospective payment amount (or amounts) under section 1895 of the Act applicable to home health services furnished during a period to offset the increase in payments resulting in the application of this section of the statute.

As a result of the Work GPCI floor changes, certain Federally Qualified Health Center (FQHC) Geographic Adjustment Factors (GAFs) will change, which may result in a change to some FQHC payments. For Inpatient Prospective Payment System (IPPS) hospitals, temporary changes to the low-volume hospital payment adjustment and the Medicare-Dependent hospital (MDH) program have been extended. In addition, for the Long-Term Care Hospital Prospective Payment (LTCH PPS), the blended payment rate for site-neutral payment rate cases is extended for certain LTCH hospital discharges. Separate instructions addressing these payment updates are forthcoming.

**B. Policy:** A previously issued Technical Direction Letter (TDL) issued on January 25, 2018 instructed MACs to release for processing held therapy claims with the KX modifier with dates of receipt January 1-10, 2018. MACs were also instructed to institute a "rolling hold" for all new therapy claims with the KX modifier. Another TDL issued on February 12, 2018 provided direction regarding new MPFS files and abstract files due to the extension of the Work GPCI Floor, as well as a revised 2018 Ambulance Fee Schedule (AFS) file. MACs were also instructed to ensure legislative effective indicators were set correctly in Medicare systems to apply therapy policies. Given that legislation has been enacted, MACs are being instructed to reprocess effected claims that were processed using the previous MPFS files. Additionally, the February 12, 2018 TDL provided instructions to contractors to refer to an attachment to determine the correct dates to update each of the indicators in the SPITAB table. After that instruction was issued, it was discovered that one of the dates was invalid. That error has been corrected and MACs are being instructed to

reprocess effected claims.

As stipulated in section 421(a) of the MMA, the 3 percent rural add-on is applied to the national, standardized episode rate, national per-visit payment rates, LUPA add-on payments, and the NRS conversion factor when home health services are provided in rural (non-CBSA) areas for episodes and visits ending on or after April 1, 2010, and before January 1, 2019. Refer to Tables 1 through 4 of the Attachment for the CY 2018 rural payment rates.

Section 1848(e)(1)(E) of the Social Security Act stipulates that after calculating the work geographic index for purposes of Physician Fee Schedule payment for services furnished, the Secretary shall increase the work geographic index to 1.00 for any locality for which such work geographic index is less than 1.00. This provision expired on December 31, 2017 and the locality-specific anesthesia conversion factors for CY 2018 were calculated without this work geographic index floor of 1.00 in place. Section 50201 of the Bipartisan Budget Act of 2018 restored the work geographic index floor of 1.00 and retroactively dated this restoration to January 1, 2018. In accordance with the law, we have updated the locality-specific anesthesia conversion factors for CY 2018 to include the work geographic index floor of 1.00. These updated locality-specific anesthesia conversion factors also have a retroactive effective date of January 1, 2018. MACs shall implement the new Anesthesia Conversion Factor file identified below.

Additionally, contractors shall be aware that Section 1848(b)(4) of the Social Security Act limits MPFS payment for the technical portion of most imaging procedures to the amount paid under the OPSS system. This policy applies to the technical component (and technical portion of global payment) of imaging services, including X-ray, ultrasound, nuclear medicine, MRI, CT, and fluoroscopy services. The MPFS payment rates for some of these services does not reflect the most recent updates to the OPSS rates that were updated through a technical correction notice in December of 2017. These rates are being corrected in new MPFS files indicated in the TDL issued on February 12, 2018, which also contain the updates for the GPCI. This correction is unrelated to the passage of this Act, but CMS is taking the opportunity to address this issue now since new MPFS files are required as a result of the Act.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
10531.1	Contractors shall automatically reprocess therapy claims with the KX modifier containing dates of service in calendar year 2018, which were denied prior to the implementation of the updated legislative effective dates as distributed in a TDL issued on January 25, 2018.  NOTE: For institutional claims, these claims will include revenue codes 042x, 043x or 044x and modifiers GN, GO or GP.	X	X							
10531.1.1	Contractors shall automatically reprocess therapy claims with the KX modifier which were denied due to an invalid date provided in a TDL attachment dated		X							

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	February 12, 2018, that instructed contractors to refer to the attachment to determine the correct dates to update each of the indicators in the SPITAB table.									
10531.1.2	Contractors shall reprocess 2018 therapy claims which cannot be automatically reprocessed only if brought to your attention.	X	X							
10531.2	Contractors shall automatically reprocess MPFS claims for localities and States impacted by the Work GPCI Floor fee increase for dates of service in calendar year 2018. Please refer to the chart in Attachment A - Localities and States Impacted by the Work GPCI Floor – 2018.	X	X							
10531.2.1	Contractors shall reprocess 2018 MPFS claims for localities and States impacted by the Work GPCI Floor fee increase for dates of service in calendar year 2018 which cannot be automatically reprocessed only if brought to your attention. Please refer to the chart in Attachment A - Localities and States Impacted by the Work GPCI Floor – 2018.	X	X							
10531.3	Contractors shall automatically reprocess ground AFS claims using the revised 2018 Ambulance Fee Schedule file for dates of service in calendar year 2018.	X	X							
10531.3.1	Contractors shall reprocess 2018 ground AFS claims using the revised 2018 Ambulance Fee Schedule file for dates of service in calendar year 2018 which cannot be automatically reprocessed only if brought to your attention.	X	X							
10531.4	Contractors shall install the revised home health Pricer program reflecting the extension of the 3% rural add-on for CY 2018.					X				
10531.4.1	Contractors shall reprocess home health claims with the following criteria: <ul style="list-style-type: none"> <li>Type of Bill 32X</li> <li>Claim “Through” dates on or after January 1, 2018</li> <li>Value code 61 amounts in the range 999xx.</li> <li>Receipt dates prior to the installation of the revised home health Pricer.</li> </ul>			X						

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
10531.4.2	Contractors shall refer to Tables 1 through 4 of Attachment B - Rural Add On Rate Tables, for the CY 2018 rural payment rates.			X						
10531.5	Contractors shall automatically reprocess claims impacted by the OPPS cap for dates of service in calendar year 2018.		X							
10531.5.1	Contractors shall reprocess claims impacted by the OPPS cap for dates of service in calendar year 2018 which cannot be automatically reprocessed only if brought to your attention.	X	X							
10531.6	Contractors shall automatically reprocess Anesthesia claims for localities and States impacted by the Work GPCI Floor fee increase for dates of service in calendar year 2018. Please refer to the chart in Attachment A - Localities and States Impacted by the Work GPCI Floor – 2018.	X	X							
10531.6.1	Contractors shall reprocess Anesthesia claims for localities and States impacted by the Work GPCI Floor fee increase for dates of service in calendar year 2018 which cannot be automatically reprocessed only if brought to your attention. Please refer to the chart in Attachment A - Localities and States Impacted by the Work GPCI Floor – 2018.	X	X							
10531.7	Contractors shall begin reprocessing affected claims as soon as possible. Contractors shall ensure all reprocessing actions have been initiated within: <ul style="list-style-type: none"> <li>• six months of the issuance date of this CR for therapy and MPFS adjustments</li> <li>• six months of the issuance date of this CR for ground ambulance service claims with a date of service on or after 1/1/2018</li> <li>• six months of the implementation date of the Pricer for HH rural add-on adjustments</li> <li>• six months of the issuance date of this CR for OPPS adjustments</li> <li>• six months of the issuance date of this CR for Anesthesia adjustments</li> </ul>	X	X	X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
10531.8	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X		

### IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements: N/A**

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: All other recommendations and supporting information: N/A**

### V. CONTACTS

**Pre-Implementation Contact(s):** Wil Gehne, [wilfried.gehne@cms.hhs.gov](mailto:wilfried.gehne@cms.hhs.gov) (For institutional claims issues), Mark Baldwin, [mark.baldwin@cms.hhs.gov](mailto:mark.baldwin@cms.hhs.gov) (For professional claims issues)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

### VI. FUNDING

**Section A: For Medicare Administrative Contractors (MACs):**

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**ATTACHMENTS: 2**

*Attachment A - Localities and States Impacted by the Work GPCI Floor -  
2018*

<b>Contractor</b>	<b>Locality</b>	<b>Locality Name</b>	<b>State</b>	<b>2018 Work GPCI</b>	<b>Current Work GPCI</b>
10102	00	ALABAMA	ALABAMA	1.000	0.979
03102	00	ARIZONA	ARIZONA	1.000	0.979
07102	13	ARKANSAS	ARKANSAS	1.000	0.979
04112	01	COLORADO	COLORADO	1.000	0.996
09102	03	FORT LAUDERDALE, FL	FLORIDA	1.000	0.983
09102	04	MIAMI, FL	FLORIDA	1.000	0.990
09102	99	REST OF FLORIDA	FLORIDA	1.000	0.975
10202	01	ATLANTA, GA	GEORGIA	1.000	0.998
10202	99	REST OF GEORGIA	GEORGIA	1.000	0.980
02202	00	IDAHO	IDAHO	1.000	0.962
06102	12	EAST ST. LOUIS, IL	ILLINOIS	1.000	0.984
06102	99	REST OF ILLINOIS	ILLINOIS	1.000	0.982
08102	00	INDIANA	INDIANA	1.000	0.969
05102	00	IOWA	IOWA	1.000	0.969
05202	00	KANSAS	KANSAS	1.000	0.966
15102	00	KENTUCKY	KENTUCKY	1.000	0.974
07202	01	NEW ORLEANS, LA	LOUISIANA	1.000	0.987
07202	99	REST OF LOUISIANA	LOUISIANA	1.000	0.977
14112	03	SOUTHERN MAINE	MAINE	1.000	0.980
14112	99	REST OF MAINE	MAINE	1.000	0.970
08202	99	REST OF MICHIGAN	MICHIGAN	1.000	0.978
06202	00	MINNESOTA	MINNESOTA	1.000	0.998
07302	00	MISSISSIPPI	MISSISSIPPI	1.000	0.961
05302	02	METROPOLITAN KANSAS CITY, MO	MISSOURI	1.000	0.984
05302	01	METROPOLITAN ST. LOUIS, MO	MISSOURI	1.000	0.985
05302	99	REST OF MISSOURI	MISSOURI	1.000	0.961
03202	01	MONTANA***	MONTANA***	1.000	0.965
05402	00	NEBRASKA	NEBRASKA	1.000	0.970
14312	40	NEW HAMPSHIRE	NEW HAMPSHIRE	1.000	0.991
04212	05	NEW MEXICO	NEW MEXICO	1.000	0.982
13282	99	REST OF NEW YORK	REST OF NEW YORK	1.000	0.987
11502	00	NORTH CAROLINA	NORTH CAROLINA	1.000	0.975
03302	01	NORTH DAKOTA***	NORTH DAKOTA***	1.000	0.978
15202	00	OHIO	OHIO	1.000	0.990
04312	00	OKLAHOMA	OKLAHOMA	1.000	0.961

02302	99	REST OF OREGON	OREGON	1.000	0.991
12502	99	REST OF PENNSYLVANIA	PENNSYLVANIA	1.000	0.990
09202	20	PUERTO RICO	PUERTO RICO	1.000	0.998
11202	01	SOUTH CAROLINA	SOUTH CAROLINA	1.000	0.977
03402	02	SOUTH DAKOTA***	SOUTH DAKOTA***	1.000	0.961
10302	35	TENNESSEE	TENNESSEE	1.000	0.976
04412	31	AUSTIN, TX	TEXAS	1.000	0.994
04412	20	BEAUMONT, TX	TEXAS	1.000	0.985
04412	99	REST OF TEXAS	TEXAS	1.000	0.990
03502	09	UTAH	UTAH	1.000	0.980
14512	50	VERMONT	VERMONT	1.000	0.979
11302	00	VIRGINIA	VIRGINIA	1.000	0.992
09202	50	VIRGIN ISLANDS	VIRGIN ISLANDS	1.000	0.998
02402	99	REST OF WASHINGTON	WASHINGTON	1.000	0.997
11402	16	WEST VIRGINIA	WEST VIRGINIA	1.000	0.966
06302	00	WISCONSIN	WISCONSIN	1.000	0.983
03602	21	WYOMING***	WYOMING***	1.000	0.983



Attachment:

Table 1

CY 2018 National, Standardized 60-Day Payment Amounts for Services Provided in a Rural Area					
For HHAs that <b>DO</b> Submit Quality Data			For HHAs that <b>DO NOT</b> Submit Quality Data		
CY 2018 National, Standardized 60-Day Episode Payment Rate	Multiply by the 3 Percent Rural Add-On	CY 2018 Rural National, Standardized 60-Day Episode Payment Rate	CY 2018 National, Standardized 60-Day Episode Payment Rate	Multiply by the 3 Percent Rural Add-On	CY 2018 Rural National, Standardized 60-Day Episode Payment Rate
\$3,039.64	X 1.03	\$3,130.83	\$2,979.45	X 1.03	\$3,068.83

Table 2

CY 2018 National Per-Visit Amounts for Services Provided in a Rural Area

HH Discipline Type	For HHAs that <b>DO</b> submit quality data			For HHAs that <b>DO NOT</b> submit quality data		
	CY 2018 Per-visit rate	Multiply by the 3 Percent Rural Add-On	CY 2018 Rural Per-Visit Rates	CY 2018 Per-visit rate	Multiply by the 3 Percent Rural Add-On	CY 2018 Rural Per-Visit Rates
HH Aide	\$64.94	X 1.03	\$66.89	\$63.65	X 1.03	\$65.56
MSS	\$229.86	X 1.03	\$236.76	\$225.31	X 1.03	\$232.07
OT	\$157.83	X 1.03	\$162.56	\$154.70	X 1.03	\$159.34
PT	\$156.76	X 1.03	\$161.46	\$153.65	X 1.03	\$158.26
SN	\$143.40	X 1.03	\$147.70	\$140.56	X 1.03	\$144.78
SLP	\$170.38	X 1.03	\$175.49	\$167.00	X 1.03	\$172.01