

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 621

Department of Health &
Human Services

Centers for Medicare &
Medicaid Services

Date: JULY 29, 2005

CHANGE REQUEST 3961

SUBJECT: Locality Codes for Purchased Diagnostic Tests

I. SUMMARY OF CHANGES: Revision of the reporting requirements for locality codes for purchased diagnostic tests.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : January 1, 2006

IMPLEMENTATION DATE : January 3, 2006

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/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

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SUBJECT: Locality Codes for Purchased Diagnostic Tests

I. GENERAL INFORMATION

A. Background: Purchased diagnostic tests involve two suppliers performing a single service. The first supplier, draws the specimen, takes the x-ray, etc. The second supplier, performs the test, interprets the x-ray, etc. When the purchasing supplier submits the claim to its carrier for the entire service, the carrier adjudicates the purchased component of the claim based on the locality of the supplier, i.e., where that component was actually performed. Currently, there is nothing in the claim record that indicates which carrier's locality is being reported as the basis for the payment. For outside-of-carrier-jurisdiction-pricing, therefore, there is no way to identify which carrier's locality was used to price the claim. The reporting of the locality code for purchased diagnostic tests needs to be revised in order to identify localities that are other than the purchasing supplier's carrier jurisdiction.

No changes are being made to the current payment policy. This instruction implements procedures to reflect current policy more accurately.

B. Policy: This procedure applies to purchased services only. Carriers, who are reporting the locality code as a two-position numeric field, shall revise their systems to report a two-position alpha-numeric field.

Carriers shall download the attached expanded locality list and use it when paying electronic claims identified in loop 2300 of the Ansi 837 4010 and 4010A1 and paper claims with block 20 checked on the CMS-1500 Form, for physicians, qualified non-physicians, and independent laboratories for purchased/referred diagnostic tests performed outside of their jurisdiction.

The CWF edit shall be changed to allow for the codes on the attached expanded locality list for electronic claims identified in loop 2300 of the Ansi 837 4010 and 4010A1 and paper claims with block 20 checked on the CMS-1500 Form, for physicians, qualified non-physicians, and independent laboratories for purchased/referred diagnostic tests performed outside of their processing carrier's jurisdiction.

Carriers, who are reporting the locality code as a two-position numeric field, will need to revise their systems to report a two-position alpha-numeric field.

The CWF edit, which includes a range of allowable numeric locality codes, will need to be revised to accept the additional range of alpha-numeric locality codes.

The CWF edit for expanded locality codes will only apply to electronic claims identified in loop 2300 of the Ansi 837 4010 and 4010A1 and paper claims with block 20 checked on the CMS-1500 Form.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement
“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
					F I S S	M C S	V M S	C W F	
3961.1	Carriers, who are reporting the locality code as a two-position numeric field, shall revise their systems to report a two-position alpha-numeric field.			X		X			
3961.2	Carriers shall download the attached expanded locality list and use it when paying electronic claims identified in loop 2300 of the Ansi 837 4010 and 4010A1 and paper claims with block 20 checked on the CMS-1500 Form, for physicians, qualified non-physicians, and independent laboratories for purchased diagnostic tests performed outside of their jurisdiction. See Attachment A, reporting locality, for the list of alternative locality codes.			X		X			
3961.3	The CWF edit shall be changed to allow for the codes on the attached expanded locality list for electronic claims identified in loop 2300 of the Ansi 837 4010 and 4010A1 and paper claims with block 20 checked on the CMS-1500 Form, for physicians, qualified non-physicians, and independent laboratories for purchased diagnostic tests performed outside of their processing carrier’s jurisdiction. See Attachment A, reporting locality, for the list of alternative locality codes.							X	

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
					F I S S	M C S	V M S	C W F	

Attachment A

Carrier	Carrier Loc	Localities	Reporting Locality
00510	00	Alabama	A1
00511	01	Atlanta, GA	A2
00511	99	Rest of Georgia	A3
00520	13	Arkansas	A4
00521	05	New Mexico	A5
00522	00	Oklahoma	A6
00523	01	Metropolitan St. Louis,	A7
00523	99	Rest of Missouri*	A8
00528	01	New Orleans, LA	A9
00528	99	Rest of Louisiana	B1
00590	03	Fort Lauderdale, FL	B2
00590	04	Miami, FL	B3
00590	99	Rest of Florida	B4
00630	00	Indiana	B5
00650	00	Kansas*	B6
00740	04	Kansas*	B6
00655	00	Nebraska	B7
00660	00	Kentucky	B8
00740	02	Metropolitan Kansas City	B9
00740	99	Rest of Missouri*	C1
00751	01	Montana	C2
00801	99	Rest of New York	C3
00803	01	Manhattan, NY	C4
00803	02	NYC Suburbs/Long I., NY	C5
00803	03	Poughkpsie/N NYC Suburb	C6
00805	01	Northern NJ	C7
00805	99	Rest of New Jersey	C8
00820	01	North Dakota	C9
00820	02	South Dakota	D1
00824	01	Colorado	D2
00825	21	Wyoming	D3
00826	00	Iowa	D4
00831	01	Alaska	D5
00832	00	Arizona	D6
00833	01	Hawaii/Guam	D7
00834	00	Nevada	D8
00835	01	Portland, OR	D9
00835	99	Rest of Oregon	E1
00836	02	Seattle (King Cnty), WA	E2
00836	99	Rest of Washington	E3
00865	01	Metropolitan Philadelphia	E4
00865	99	Rest of Pennsylvania	E5
00524	01	Rhode Island	E6
00880	01	South Carolina	E7
00900	09	Brazoria, TX	E8
00900	11	Dallas, TX	E9
00900	15	Galveston, TX	F1

00900	18	Houston, TX	F2
00900	20	Beaumont, TX	F3
00900	28	Fort Worth, TX	F4
00900	31	Austin, TX	F5
00900	99	Rest of Texas	F6
00901	01	Baltimore/Surr. Cntys,	F7
00901	99	Rest of Maryland	F8
00902	01	Delaware	F9
00903	01	DC + MD/VA Suburbs	G1
00910	09	Utah	G2
00951	00	Wisconsin	G3
00952	12	East St. Louis, IL	G4
00952	15	Suburban Chicago, IL	G5
00952	16	Chicago, IL	G6
00952	99	Rest of Illinois	G7
00953	01	Detroit, MI	G8
00953	99	Rest of Michigan	G9
00973	20	Puerto Rico	H1
00973	50	Virgin Islands	H2
31146	17	Ventura, CA	H3
31146	18	Los Angeles, CA	H4
31146	26	Anaheim/Santa Ana, CA	H5
31140	17	Ventura, CA	H3
31140	18	Los Angeles, CA	H4
31140	26	Anaheim/Santa Ana, CA	H5
31146	99	Rest of California*	H6
05130	00	Idaho	H7
05440	35	Tennessee	H8
05535	00	North Carolina	H9
00591	00	Connecticut	J1
00954	00	Minnesota	J2
00512	00	Mississippi	J3
00904	00	Virginia	J4
14330	04	Queens, NY	J5
00883	00	Ohio	J6
00884	16	West Virginia	J7
31140	03	Marin/Napa/Solano, CA	J8
31140	05	San Francisco, CA	J9
31140	06	San Mateo, CA	K1
31140	07	Oakland/Berkley, CA	K2
31140	09	Santa Clara, CA	K3
31140	99	Rest of California*	K4
31142	03	Southern Maine	K5
31142	99	Rest of Maine	K6
31143	01	Metropolitan Boston	K7
31143	99	Rest of Massachusetts	K8
31144	40	New Hampshire	K9
31145	50	Vermont	M1

* Payment locality is serviced by two carriers.