

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 887

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: MARCH 10, 2006

Change Request 4397

SUBJECT: Correction to Change Request 4282 - Application of Temporary 5 Percent Payment Increase for Home Health Services Furnished in a Rural Area for One Year Under the Home Health Prospective Payment System (HH PPS)

I. SUMMARY OF CHANGES: This CR adds a list of special wage index codes to the criteria for identifying HH PPS claims as subject to rural add-on payments.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 1, 2006

IMPLEMENTATION DATE: No later than March 13, 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 = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
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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

Pub. 100-04	Transmittal: 887	Date: March 10, 2006	Change Request 4397
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SUBJECT: Correction to Change Request 4282 - Application of Temporary 5 Percent Payment Increase for Home Health Services Furnished in a Rural Area for One Year Under the Home Health Prospective Payment System (HH PPS)

I. GENERAL INFORMATION

A. Background: Section 5201 of the Deficit Reduction Act (DRA) provides for a 5 percent payment increase for home health services furnished in a rural area with respect to episodes and visits beginning on or after January 1, 2006 and before January 1, 2007. This rural add-on payment, along with other DRA mandated changes, was initially implemented in Transmittal 211, Change Request (CR) 4282, which was issued on February 10, 2006.

The business requirements of CR 4282 required Medicare systems to identify rural areas based on Core Based Statistical Area (CBSA) codes that begin with '999' and include a rural state code. While this criterion identifies rural areas for many States, it overlooks that certain rural areas were affected by the implementation of a blended wage index in calendar year 2006. In 2006, certain rural areas which would otherwise report a CBSA beginning with '999' are reporting special wage index codes beginning with '50.'

B. Policy: For purposes of implementing the DRA rural add-on payment, Medicare recognizes as rural all services furnished in any area that would be identified by a rural CBSA code if the 2006 blended wage index were not in effect. The list of special wage index codes that are recognized as rural as a result is included in the attachment.

This correction is to be implemented through the Home Health Pricer software found in fiscal intermediary systems.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

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

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4397.6	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.		X							

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
4397.3	This requirement is to avoid adjusting the same claims multiple times for these providers.

B. Design Considerations: N/A

C. Interfaces: The driver program and the calculation program of the HH PPS Pricer are affected by this change, but the interface to the shared system is not changed.

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: January 1, 2006</p> <p>Implementation Date: No later than March 13, 2006</p> <p>Pre-Implementation Contact(s): Randy Thronset (410) 786-0131 (Randy.Thronset@cms.hhs.gov) for payment policy questions and/or Wil Gehne (410) 786-6148 (Wilfried.Gehne@cms.hhs.gov) for operational questions.</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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Attachment

Attachment: List of Special Wage Index Codes Recognized as Rural For Purposes of Implementing the
DRA Rural Add-On.

CBSA	SPECIAL CODE	STATE
99901	50001	Alabama
99901	50281	Alabama
99901	50214	Alabama
99903	50007	Arizona
99903	50260	Arizona
99910	50016	Florida
99910	50210	Florida
99911	50020	Georgia
99911	50272	Georgia
99914	50031	Illinois
99914	50314	Illinois
99915	50225	Indiana
99915	50036	Indiana
99915	50257	Indiana
99915	50268	Indiana
99918	50054	Kentucky
99918	50243	Kentucky
99918	50262	Kentucky
99919	50256	Louisiana
99919	50060	Louisiana
99919	50286	Louisiana
99919	50329	Louisiana
99923	50067	Michigan
99923	50231	Michigan
99923	50170	Michigan
99923	50316	Michigan
99929	50087	Nevada
99929	50261	Nevada
99932	50089	New Mexico
99932	50325	New Mexico
99933	50091	New York
99933	50336	New York
99933	50248	New York
99933	50313	New York
99933	50164	New York
99934	50092	North Carolina
99934	50192	North Carolina
99934	50234	North Carolina
99936	50100	Ohio
99936	50199	Ohio
99936	50263	Ohio

99936	50352	Ohio
99936	50275	Ohio
99937	50104	Oklahoma
99937	50218	Oklahoma
99937	50293	Oklahoma
99939	50108	Pennsylvania
99939	50326	Pennsylvania
99939	50250	Pennsylvania
99942	50114	South Carolina
99942	50237	South Carolina
99944	50121	Tennessee
99944	50255	Tennessee
99945	50125	Texas
99945	50266	Texas
99945	50206	Texas
99945	50226	Texas
99946	50140	Utah
99946	50222	Utah
99949	50145	Virginia
99949	50344	Virginia
99950	50152	Washington
99950	50327	Washington