

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1073</b>	<b>Date: OCTOBER 6, 2006</b>
	<b>Change Request 5317</b>

**Subject: Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2006**

**I. SUMMARY OF CHANGES:** Annual update of Indian Health Service (IHS) hospital payment rates for calendar year 2006

**New / Revised Material**

**Effective Date: January 1, 2006**

**Implementation Date: November 6, 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
N/A	

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

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

## Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1073	Date: October 6, 2006	Change Request 5317
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**SUBJECT: Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2006**

### I. GENERAL INFORMATION

**A. Background:** The purpose of this instruction is to inform the Trailblazer Health Enterprises, LLC, the fiscal intermediary that processes IHS hospital claims, that CMS completed its review of the cost reports that IHS hospitals submitted for the fiscal year ending **September 30, 2004**. The cost reports, which IHS submitted, are for the purpose of calculating the Medicare reimbursement rates for IHS hospitals in Alaska and the lower 48 States for calendar year **2006**. The Office of Management and Budget approved the rates listed below. IHS published these rates in the **Federal Register** on **August 21, 2006**. However, Trailblazer Health Enterprises, LLC did not have CMS approval to make payment adjustments for the change in the outpatient rate, ancillary Part B, and the swing bed rates. This attachment informs Trailblazer Health Enterprises, LLC, of the rates and authorizes any payment adjustments as a result of the rate changes for the **2006** calendar year. The rates set forth for 2005 are for comparison purposes only.

**B. Policy:** Section 1880 of the Social Security Act authorizes CMS to establish payment mechanisms and payment rates to Indian Health Service Facilities.

### II. BUSINESS REQUIREMENTS

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				Other
						F I S S	M C S	V M S	C W F	
5317.1	Trailblazer Health Enterprises, LLC shall implement the payment rates set forth in this transmittal.									X (Trailblazer Health Enterprises, LLC)
5317.2	Trailblazer Health Enterprises, LLC shall adjust the claims for the difference between the 2005 and 2006 IHS Rates.									X (Trailblazer Health Enterprises, LLC)
5317.3	Trailblazer Health Enterprises, LLC shall make any required payment adjustments.									X (Trailblazer Health Enterprises, LLC)

**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				Other
						F I S S	M C S	V M S	C W F	
	None.									

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

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

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective date:</b> January 1, 2006</p> <p><b>Implementation Date:</b> November 6, 2006</p> <p><b>Pre-Implementation Contact(s):</b> Edwin Gill 410-786-4525, Larry Stevenson 410-786-5529, Steven Raitzyk 410-786-4599.</p> <p><b>Post-Implementation Contact(s):</b> Same as above</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</b></p>
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**Attachment**

## Attachment

### Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2006

		CY 2005	CY 2006
<b><u>Lower 48 States</u></b>			
Medicare Inpatient Ancillary Part B		\$312	\$340
Medicare Outpatient Per Visit Rate		\$181	\$193
<b><u>Alaska</u></b>			
Medicare Inpatient Ancillary Part B		\$635	\$625
Medicare Outpatient Per Visit Rate		\$371	\$348
<b><u>Swing Bed Rates CY 2005</u></b>			
Region 1	\$187.51	Region 5	\$140.62
Region 2	\$174.09	Region 6	\$149.74
Region 3	\$161.28	Region 7	\$137.55
Region 4	\$158.54	Region 8	\$164.21
		Region 9	\$178.14
<b><u>Swing Bed Rates CY 2006</u></b>			
Region 1	\$193.79	Region 5	\$145.33
Region 2	\$179.92	Region 6	\$154.75
Region 3	\$166.68	Region 7	\$142.16
Region 4	\$163.85	Region 8	\$169.71
		Region 9	\$184.10