

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1405	Date: JANUARY 4, 2008
	Change Request 5845

SUBJECT: Reprocessing of Certain Hospital Inpatient Prospective Payment System (IPPS) Claims

I. SUMMARY OF CHANGES: The post acute care transfer DRGs which should receive a special pay transfer payment are receiving an error in payment. CMS has corrected this error within the IPPS Pricer. CMS has also made changes to a few wage indices based on the October 10, 2007 correction notice to the FY 2008 IPPS final rule (72 FR 57634) and a second correction notice that was published in the Federal Register on November 6, 2007 (72 FR 57637).

NEW / REVISED MATERIAL

EFFECTIVE DATE: *October 1, 2007

IMPLEMENTATION DATE: February 4, 2008

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:

SECTION A: For Fiscal Intermediaries and Carriers:

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

SECTION B: 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

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

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 1405	Date: January 4, 2008	Change Request: 5845
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SUBJECT: Reprocessing of Certain Hospital Inpatient Prospective Payment System (IPPS) Claims

EFFECTIVE DATE: October 1, 2007

IMPLEMENTATION DATE: February 4, 2008

I. GENERAL INFORMATION

A. Background: The post acute care transfer DRGs which should receive a “special pay” transfer payment are receiving an error in payment. CMS has corrected this error within the IPPS Pricer. CMS has also made changes to a few wage indices based on the October 10, 2007 correction notice to the FY 2008 IPPS final rule (72 FR 57634) and a second correction notice that was published in the Federal Register on November 6, 2007 (72 FR 57637).

B. Policy: DRGs 28 29 30 40 41 42 219 220 221 477 478 479 480 481 482 492 493 494 500 501 502 515 516 517 956 are considered fiscal year 2008 “special pay” DRGs within the post acute care (PAC) transfer policy. In a PAC transfer situation, claims are paid 50 percent of the appropriate PPS rate for the first day of the stay and 50 percent of the graduated per diem rate for each day of the stay up to the full DRG. Refer to the regulations at 42 CFR 412.4(f)(2).

The following are corrections to the wage index that must be made retroactive to October 1, 2007 in accordance with the regulations at 42 CFR 412.64(k)(1).

1. Provider 01-0005 was originally reclassified to CBSA 26620 but should have been reclassified to CBSA 13820. This resulted in the following attaching wage index (WI) and geographic adjustment factor (GAF) changes. (Note: Although the attaching WI changed, the area WI did not change as a result of this correction).

CBSA 13820 affected Attaching providers:

<u>Prov</u>	<u>Current WI</u>	<u>New WI</u>	<u>New GAF</u>
010005	0.8630	0.8690	0.9083
010010	0.8724	0.8690	0.9083
010035	0.8724	0.8690	0.9083
010044	0.8724	0.8690	0.9083
010045	0.8724	0.8690	0.9083
010065	0.8724	0.8690	0.9083
010101	0.8724	0.8690	0.9083
010143	0.8724	0.8690	0.9083

CBSA 26620 affected Attaching providers:

<u>Prov</u>	<u>Current WI</u>	<u>New WI</u>	<u>New GAF</u>
010009	0.8630	0.8725	0.9108
010054	0.8630	0.8725	0.9108
010059	0.8630	0.8725	0.9108
010085	0.8630	0.8725	0.9108
440020	0.8630	0.8725	0.9108

2. Provider 29-0049 was originally classified as geographically located in CBSA 16180 but should have been classified as geographically located in CBSA 39900. This resulted in the following area and attaching WI and GAF changes.

CBSA 16180 affected Area provider:

Prov	Current WI	New WI	New GAF
290051	0.9702	0.9865	0.9907

CBSA 16180 affected Attaching provider:

Prov	Current WI	New WI	New GAF
290002	0.9702	0.9704	0.9796

CBSA 39900 affected Area providers:

Prov	Current WI	New WI	New GAF
290001	1.1063	1.0836	1.0565
290009	1.1063	1.0836	1.0565
290032	1.1063	1.0836	1.0565
290049	0.9702	1.0836	1.0565

CBSA 39900 affected Attaching providers:

Prov	Current WI	New WI	New GAF
290006	1.0852	1.0680	1.0461
290019	1.0852	1.0680	1.0461

The following are changes to the wage index to correct errors made by CMS in Table 2 of the October 10, 2007 correction notice. The hospitals' wage index assignments were originally correct in the August 22, 2007 FY 2008 IPPS final rule. However CMS inadvertently assigned them the wrong wage index in the October 10, 2007 correction notice. Therefore, these corrections also must be made retroactive to October 1, 2007. (Note: Each affected hospital is a part of a multicampus hospital and is reclassified to the labor market area where other hospitals associated with its provider number are located.)

1. Provider 14-0B10 was mistakenly assigned the area wage index for Lake County-Kenosha County, IL-WA (CBSA 29404). The wage index for provider 14-0B10 is corrected to reflect the reclassified wage index for Chicago-Naperville-Joliet, IL (CBSA 16974).

Prov	Current WI	New WI	New GAF
140B10	1.0583	1.0472	1.0321

2. Provider 22-0074 was mistakenly assigned the area wage index value for Providence-New Bedford-Fall River, RI-MA (CBSA 39300). The wage index for provider 22-0074 is corrected to reflect the reclassified wage index for Boston-Quincy, MA (CBSA 14484).

Prov	Current WI	New WI	New GAF
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220074

1.0533

1.1304

1.0876

3. Provider 53-0014 was mistakenly assigned the area wage index value for Cheyenne, WY (CBSA 16940). This hospital was approved for reclassification as a rural hospital under 412.103, effective October 1, 2007. Therefore, the wage index for provider 53-0014 is corrected to reflect the rural floor wage index for Wyoming (CBSA 53).

Prov	Current WI	New WI	New GAF
530014	0.9205	0.9164	0.9420

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5845.1	FISS shall install IPPS Pricer.						X				
5845.2	Contractors shall reprocess claims with discharges on or after October 1, 2007, with the following DRGs: 28 29 30 40 41 42 219 220 221 477 478 479 480 481 482 492 493 494 500 501 502 515 516 517 956	X		X							
5845.3	Contractors shall reprocess all claims with discharges on or after October 1, 2007, with CBSA 13820 and 26620, for attaching hospitals, using the providers' corrected wage indices that are listed in this CR.	X		X							
5845.3.1	The contractor that processes claims for provider 01-0005 shall update the reclassified location in the provider specific file from CBSA 26620 to 13820 and reprocess those claims with discharges on or after October 1, 2007, using the provider's corrected wage index that is listed in this CR.	X		X							
5845.4	Contractors shall reprocess all claims with discharges on or after October 1, 2007, with CBSAs 16180 and 39900, for both area and attaching hospitals, using the providers' corrected wage indices that are listed in this CR.	X		X							
5845.4.1	The contractor that processes claims for provider 29-0049 shall change the geographic location in the provider specific file from CBSA from 16180 to 39900 and reprocess those claims with discharges on or after October 1, 2007, using the provider's corrected wage index that is listed in this CR.	X		X							
5845.5	The contractor that processes claims for provider 14-0B10 shall ensure that the reclassified location in the	X		X							

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	provider specific file is CBSA 16974 and the wage index is 1.0472 and reprocess those claims with discharges on or after October 1, 2007.										
5845.6	The contractor that processes claims for provider 22-0074 shall ensure that the reclassified location in the provider specific file is CBSA 14484 and the wage index is 1.1304 and reprocess those claims with discharges on or after October 1, 2007	X		X							
5845.7	The contractor that processes claims for provider 53-0014 shall ensure that the reclassified location in the provider specific file is CBSA 53 and the wage index is 0.9164 and reprocess those claims with discharges on or after October 1, 2007	X		X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5845.8	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ 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 site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your 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							

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
5845.2	Only IPPS PAC transfer claims with the listed DRGs and lengths of stay less than the average

X-Ref Requirement Number	Recommendations or other supporting information:
	length of stay for that DRG will be affected.

B. For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Claims Processing/Pricer: Sarah.Shirey-Losso@cms.hhs.gov
Wage Index: Brian.Slater@cms.hhs.gov

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC):
 No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

B. For Medicare Administrative Contractors (MAC):

The Medicare Administrative Contractor (MAC) is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as changes to the MAC Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified 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.