

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1511	Date: MAY 23, 2008
	Change Request 6063

Subject: Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2008

I. SUMMARY OF CHANGES: Annual update of Indian Health Service (IHS) hospital payment rates for calendar year 2008. (The related Manual sections listed below are revised to indicate that approved inpatient ancillary per diem rates are issued periodically in Recurring Update Notifications.)

New / Revised Material

Effective Date: January 1, 2008

Implementation Date: June 23, 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.

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
R	19/100.3.4/FI - Inpatient Ancillary Services - Medicare Part B - Payment Policy
R	19/100.4.2/ FI - Swing-bed - Inpatient Ancillary Claims - Medicare Part B - Payment Policy
R	19/100.5/FI - Outpatient - Medicare Part B - Payment Policy

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:

**Recurring Update Notification
Manual Instructions**

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1511	Date: May 23, 2008	Change Request: 6063
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SUBJECT: Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2008

Effective Date: January 1, 2008

Implementation Date: June 23, 2008

I. GENERAL INFORMATION

A. Background:

The purpose of this instruction is to inform the Trailblazer Health Enterprises, LLC, the contractor 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, 2006**. 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 **2008**. The Office of Management and Budget approved the rates listed in the attachment. IHS published these rates in the **Federal Register** on **March 31, 2008**. 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 **2008** calendar year. The rates set forth for 2007 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 TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M M A C	F I I E R	C A 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			
6063.1	Trailblazer Health Enterprises, LLC, shall implement the payment rates set forth in this transmittal.	X		X								X (Trailblazer Health Enterprises, LLC)
6063.2	Trailblazer Health Enterprises, LLC, shall adjust the claims for the difference between the 2007 and 2008 IHS Rates.	X		X								X (Trailblazer Health Enterprises, LLC)
6063.3	Trailblazer Health Enterprises, LLC, shall make any required payment adjustments.	X		X								X (Trailblazer Health Enterprises, LLC)

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	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	
	None.										

IV. SUPPORTING INFORMATION

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

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): Edwin Gill 410-786-4525, Steven Raitzyk 410-786-4599, Susan Burris 410-786-6655, Darryl Simms 410-786-4524.

Post-Implementation Contact(s): Same as above

VI. 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.

Attachment

ATTACHMENT

Schedule of Indian Health Service (IHS) Hospital Payment Rates for Calendar Year 2008

<u>Lower 48 States</u>	<u>CY 2007</u>	<u>CY 2008</u>
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Medicare Inpatient Ancillary Part B	\$353	\$373
Medicare Outpatient Per Visit Rate	\$201	\$215

Alaska

Medicare Inpatient Ancillary Part B	\$625	\$650
Medicare Outpatient Per Visit Rate	\$354	\$365

Swing Bed Rates CY 2007

Region 1	\$200.42	Region 5	\$150.30
Region 2	\$186.08	Region 6	\$160.05
Region 3	\$172.39	Region 7	\$147.03
Region 4	\$169.46	Region 8	\$175.52
		Region 9	\$190.40

Swing Bed Rates CY 2008

Region 1	\$206.90	Region 5	\$155.16
Region 2	\$192.09	Region 6	\$165.22
Region 3	\$177.96	Region 7	\$151.78
Region 4	\$174.94	Region 8	\$181.19
		Region 9	\$196.55

100.3.4 - FI - Inpatient Ancillary Services - Medicare Part B - Payment Policy

(Rev. 1511; Issued: 05-23-08; Effective Date: 01-01-08; Implementation Date: 06-23-08)

Certain inpatient hospital ancillary services are covered under Medicare Part B when coverage is no longer provided under Medicare Part A due to benefits exhausted, the beneficiary is determined to be receiving a non-covered level of care, or is not eligible for Medicare Part A benefits. Chapter 4, §240 of Pub. 100-04, Medicare Claims Processing Manual contains information on the physician services and the nonphysician medical and other health services covered under Medicare Part B when furnished by a participating IHS provider to an inpatient of the hospital, but only if payment for these services cannot be made under Medicare Part A.

The IHS providers are paid for covered inpatient Medicare Part B ancillary services based upon an all inclusive inpatient ancillary per diem rate (AIR). The AIR is established by CMS and IHS based upon a review of yearly cost reports prepared by IHS's contractor. Upon completion of the review, IHS submits the agreed upon rate to the Office of Management and Budget (OMB) for approval. Upon approval by OMB, IHS publishes the approved rate in the **Federal Register**. The AIR is established for each calendar year. *The approved AIR is issued periodically in a Recurring Update Notification.*

These rates are **not** facility specific and should not be confused with the all inclusive facility specific inpatient ancillary per diem rate paid to CAHs based on their cost reports. For more information on the CAHs all inclusive facility specific per diem rate, see §110.3 of this chapter.

100.4.2 - FI - Swing-bed - Inpatient Ancillary Claims - Medicare Part B - Payment Policy
(Rev. 1511; Issued: 05-23-08; Effective Date: 01-01-08; Implementation Date: 06-23-08)

The IHS providers are paid for covered inpatient Medicare Part B ancillary services based upon an all inclusive inpatient ancillary per diem rate (AIR). The AIR is established by CMS and IHS based upon a review of yearly cost reports prepared by IHS's contractor. Upon completion of the review, IHS submits the agreed upon rate to the OMB for approval. Upon approval by OMB, IHS publishes the approved rate in the **Federal Register**. The AIR is established for each calendar year. *The approved AIR is issued periodically in a Recurring Update Notification.*

Medicare Part B coinsurance is applied to IHS hospital Medicare Part B inpatient ancillary bills, but waived by the IHS.

See §100.3.4 of this chapter for more information on the all inclusive inpatient ancillary per diem rate.

100.5 - FI - Outpatient - Medicare Part B - Payment Policy

(Rev. 1511; Issued: 05-23-08; Effective Date: 01-01-08; Implementation Date: 06-23-08)

The IHS providers are paid for covered outpatient services based upon an all inclusive outpatient per visit rate (AIR). The AIR is established by CMS and IHS based upon a review of yearly cost reports prepared by IHS's contractor. Upon completion of the review, IHS submits the agreed upon rate to OMB for approval. Upon approval by OMB, IHS publishes the approved rate in the **Federal Register**. The AIR is established for each calendar year. *The approved AIR is issued periodically in a Recurring Update Notification.*

Medicare Part B deductible and coinsurance amounts are applied to outpatient services, but are waived by the IHS.

These rates are **not** all inclusive inpatient ancillary per diem rates and should not be confused with the all inclusive inpatient ancillary per diem rates paid to IHS providers for services covered under Medicare Part B when coverage is no longer provided under Medicare Part A. For more information on the all inclusive inpatient ancillary per diem rates, see §100.3.4 of this chapter.