

The CMS Quarterly Provider Update  
July 2006

## What's New

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09/29/2006

### REGULATIONS PUBLISHED

CMS-1333-GNC, entitled "Criteria and Standards for Evaluating Intermediary and Carrier Performance During Fiscal Year 2007," was released. This regulation affects Suppliers. [View CMS-1333-GNC](#)

CMS-1481-N2, entitled "Emergency Medical Treatment and Labor Act Technical Advisory Group Meeting--November 2-3, 2006," was released. This regulation affects is a Meeting Notice. [View CMS-1481-N2](#)

CMS-1530-CN correction, entitled "Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Corrections," was released. This regulation affects Skilled Nursing Facilities. [View CMS-1530-CN](#)

CMS-1540-CN correction, entitled "Inpatient Rehabilitation Facility Prospective Payment System for Federal Fiscal Year 2007; Certain Provisions Concerning Competitive Acquisition for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies; Accreditation of DMEPOS Suppliers; Correction," was released. This regulation affects Hospitals. [View CMS-1540-CN](#)

CMS-9036-N, entitled "Medicare and Medicaid Programs; Quarterly Listing of Program Issuances--April Through June 2006," was released. This regulation affects Other CMS Business. [View CMS-9036-N](#)

### INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION

Transmittal 1069 of the Medicare Claims Processing Manual, entitled "Reopenings and Revisions of Claim Determinations and Decisions," was released. This instruction affects All Providers.

[View the complete text of Transmittal 1069 \(PDF - 337 KB\)](#)

Transmittal 55 of the Medicare Benefit Policy Manual, entitled "Psychological and Neuropsychological Tests," was released. This instruction affects Physicians and Non-Physicians.

**[View the complete text of Transmittal 55 \(PDF - 107 KB\)](#)**

Transmittal 239 of the Medicare One-Time Notification Manual, entitled "Communications Infrastructure Testing," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 239 \(PDF - 93 KB\)](#)**

**09/22/2006**

#### **REGULATIONS PUBLISHED**

CMS-1910-IFC, entitled "Rural Health Clinic: Amendments to Participation Requirements and Payment Provisions, and Establishment of a Quality Assessment and Improvement Program; Repeal of Previous Final Rule," was released. This regulation affects Rural Health Clinics. **[View CMS-1910-IFC](#)**

CMS-3145-F, entitled "Fire Safety Requirements for Certain Health Care Facilities; Alcohol-Based Hand Sanitizer Amendment," was released. This regulation affects Hospitals. **[View CMS-3145-F](#)**

CMS-6025-P, entitled "Limitation on Recoupment of Provider and Supplier Overpayments," was released. This regulation affects Medicaid. **[View CMS-6025-P](#)**

CMS-7001-N, entitled "Meeting of the Advisory Panel on Medicare Education, October 17, 2006," was released. This regulation is a Meeting Notice.

**[View CMS-7001-N](#)**

CMS-8030-CN, entitled " Medicare Part B Monthly Actuarial Rates, Premium Rates, and Annual Deductible for Calendar Year 2007; Correction," was released. This regulation affects All Providers. **[View CMS-8030-CN](#)**

#### **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 1065 of the Medicare Claims Processing Manual, entitled "Disabling the Revenue/HCPCS Consistency Edit Codes in the Fiscal Intermediary Shared System (FISS)," was released. This instruction affects Ambulatory Surgical Centers, Renal Dialysis Facilities, Skilled Nursing Facilities, Ambulance and Hospitals.

**[View the complete text of Transmittal 1065 \(PDF - 178- KB\)](#)**

Transmittal 159 of the Medicare Program Integrity Manual, entitled "New DMEPOS Certificates of Medical Necessity (CMNs) and DME MAC Information Forms (DIFS) for Claims Processing," was released. This instruction affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies and Physicians.

**[View the complete text of Transmittal 159 \(PDF - 390 KB\)](#)**

Transmittal 1063 of the Medicare Claims Processing Manual, entitled "Remittance Advice and Charging for PC Print, Medicare Remit Easy Print, and Duplicate Remittance Advice," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1063 \(PDF - 637 KB\)](#)**

Transmittal 1066 of the Medicare Claims Processing Manual, entitled "October 2006 Quarterly Average Sales Price Medicare Part B Drug Pricing File, Effective October 1, 2006, and Revisions to January 2006, April 2006 and July 2006 Quarterly ASP Medicare Part B Drug Pricing Files," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1066 \(PDF - 215 KB\)](#)**

**09/18/2006**

### **REGULATIONS PUBLISHED**

CMS-5042-N, entitled "Solicitation for Proposals To Participate in the Medicare Hospital Gainsharing Demonstration Program Under Section 5007 of the Deficit Reduction Act," was released. This regulation affects Other Businesses. **[View CMS-5042-N](#)**

CMS-8028-N, entitled "Part A Premium for Calendar Year 2007 for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement," was released. This regulation affects Hospitals. **[View CMS-8028-N](#)**

CMS-8029-N, entitled "Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts for Calendar Year 2007," was released. This regulation affects Hospitals. **[View CMS-8029-N](#)**

CMS-8030-N, entitled "Medicare Part B Monthly Actuarial Rates, Premium Rates, and Annual Deductible for Calendar Year 2007," was released. This regulation affects All Providers. **[View CMS-8030-N](#)**

### **INSTRUCTIONS RELEASED – MID-QUARTER**

Transmittal 1060 of the Medicare Claims Processing Manual, entitled "October 2006 Update of the Hospital Outpatient Prospective Payment System: Summary of Payment Policy Changes," was released. This instruction affects Hospitals.

**[View the complete text of Transmittal 1060 \(PDF - 248 KB\)](#)**

Transmittal 1061 of the Medicare Claims Processing Manual, entitled "October 2006 Non-Outpatient Prospective Payment System Outpatient Code Editor Specifications Version 22.0," was released. This instruction affects Community Mental Health Centers, Comprehensive Outpatient Rehabilitation Facilities, Durable Medical Equipment, Prosthetics, Orthotics and Supplies, Federally Qualified Health Centers, Home Health Agencies, Renal Dialysis Facilities, Rural Health Clinics, Religious Non-Medical Health Care Institutions, Skilled Nursing Facilities, Hospice and Hospitals.

**[View the complete text of Transmittal 1061 \(PDF – 1.6 MB\)](#)**

**09/15/2006**

## **INSTRUCTIONS RELEASED - MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 54 of the Medicare Benefits Processing Manual, entitled "Clarification/Update to Chapter 8, Pub. 100-02," was released. This instruction affects Hospitals and Skilled Nursing Facilities.

**[View the complete text of Transmittal 54 \(PDF - 134 KB\)](#)**

Transmittal 158 of the Medicare Program Integrity Manual, entitled "Provider Enrollment Disenrollment Actions," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 158 \(PDF - 104 KB\)](#)**

## **INSTRUCTIONS RELEASED -- MID-QUARTER**

Transmittal 1056 of the Medicare Claims Processing Manual, entitled "Quarterly Update to Correct Coding Initiative (CCI) Edits, Version 12.3, Effective October 1, 2006," was released. This instruction affects Physicians.

**[View the complete text of Transmittal 1056 \(PDF - 103 KB\)](#)**

Transmittal 1059 of the Medicare Claims Processing Manual, entitled "October 2006 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File, Effective October 1, 2006, and Revisions to January 2006, April 2006 and July 2006 Quarterly ASP Medicare Part B Drug Pricing Files," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1059 \(PDF - 298 KB\)](#)**

**09/12/2006**

### **REGULATIONS DISPLAYED AND PENDING PUBLICATION**

CMS-8030-N, "Part B Monthly Actuarial Rates and Premium Rate Beginning January 1, 2007" **[View CMS-8030-N](#)** (PDF, 76 KB), **[View CMS-8030-N Table](#)** (PDF, 9 KB)

CMS-8029-N, "Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts for CY 2007" **[View CMS-8029-N](#)** (PDF, 34 KB)

CMS-8028-N, "Part A Premiums for Calendar Year 2007 for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement" **[View CMS-8028-N](#)** (PDF, 61 KB)

**09/11/2006**

### **REGULATIONS PUBLISHED**

CMS-5043-N, entitled "Physician-Hospital Collaboration Demonstration," was released. This regulation affects Hospitals. **[View CMS-5043-N](#)**

## **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 236 of the Medicare One-Time Notification Manual, entitled "New Contractor Numbers for Jurisdiction 3 Part AB Medicare Administrative Services (MAC) Workload," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 236 \(PDF - 44 KB\)](#)**

**09/08/2006**

## **INSTRUCTIONS RELEASED -- MID-QUARTER**

Transmittal 1053 of the Medicare Claims Processing Manual, entitled "Inpatient Rehabilitation Facility (IRF) Annual Update: Prospective Payment System (PPS) Pricer Changes for FY 2007," was released. This instruction affects Hospitals.

**[View the complete text of Transmittal 1053 \(PDF - 83 KB\)](#)**

**09/07/2006**

## **INSTRUCTIONS RELEASED -- MID-QUARTER**

Transmittal 1050 of the Medicare Claims Processing Manual, entitled "Changes to the Laboratory National Coverage Determination (NCD) Edit Software for October 2006," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1050 \(PDF - 199 KB\)](#)**

**09/01/2006**

## **REGULATIONS PUBLISHED**

CMS-1535-N, entitled "Hospice Wage Index for FY 2007," was released. This regulation affects Hospices. **[View CMS-1535-N](#)**

CMS-4121-P, entitled "Prohibition of Midyear Benefit Enhancements for Medicare Advantage Organizations Offering Plans in Calendar Year 2007 and Subsequent Calendar Years," was released. This regulation affects Other CMS Business. **[View CMS-4121-P](#)**

## **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 1043 of the Medicare Claims Processing Manual, entitled "Revisions to the EPO/ Aranesp Monitoring Policy," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1043 \(PDF – 151 KB\)](#)**

## **INSTRUCTIONS RELEASED -- MID-QUARTER**

Transmittal 7 of the Medicare Provider Reimbursement Manual Manual, entitled "Chapter 38, Hospice Cost Report, Form CMS 1984-99 to capture and identify

continuous care costs," was released. This instruction affects Hospice.

**[View the complete text of Transmittal 7](#)** (PDF - 128 KB)

Transmittal 1045 of the Medicare Claims Processing Manual, entitled "October 2006 Outpatient Prospective Payment System (OPPS) Outpatient Code Editor (OCE) Specifications Version 7.3," was released. This instruction affects Ambulatory Surgical Centers, Community Mental Health Centers, Comprehensive Outpatient Rehabilitation Facilities, Durable Medical Equipment, Prosthetics, Orthotics and Supplies, Federally Qualified Health Centers, Home Health Agencies, Rural Health Clinics, Religious Non-Medical Health Care Institutions, Skilled Nursing Facilities, Ambulance, Hospital, Physicians.

**[View the complete text of Transmittal 1045](#)** (PDF – 1 MB)

Transmittal 1047 of the Medicare Claims Processing Manual, entitled "October Update to the 2006 Medicare Physician Fee Schedule Database," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1047](#)** (PDF - 97 KB)

Transmittal 1048 of the Medicare Claims Processing Manual, entitled "New Waived Tests," was released. This instruction affects Clinical Diagnostic Laboratory.

**[View the complete text of Transmittal 1048](#)** (PDF - 706 KB)

**08/28/2006**

#### **REGULATIONS PUBLISHED**

CMS-6026-IFC2, entitled "Medicaid Program and State Children's Health Insurance Program Payment Error Rate Measurement," was released. This regulation affects Medicaid. **[View CMS-6026-IFC2](#)**

**08/25/2006**

#### **REGULATIONS PUBLISHED**

CMS-1528-N, entitled "Medicare Provider Feedback Group (MPFG) Town Hall Meeting September 20, 2006," was released. This regulation is a Meeting Notice.

**[View CMS-1528-N](#)**

CMS-3166-N, entitled "Meeting of the Medicare Coverage Advisory Committee-- November 30, 2006," was released. This regulation is a Meeting Notice.

**[View CMS-3166-N](#)**

CMS-4122-N, entitled "Town Hall Meeting on Proposed Collection and Request for Comments on the Skilled Nursing Facility Advance Beneficiary Notice," was released. This regulation is a Meeting Notice. **[View CMS-4122-N](#)**

CMS-5030-N, entitled "Frontier Extended Stay Clinic Demonstration," was released. This regulation affects Other CMS Business. **[View CMS-5030-N](#)**

## **INSTRUCTIONS RELEASED -- MID-QUARTER**

Transmittal 1037 of the Medicare Claims Processing Manual, entitled " October Quarterly Update for 2006 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule," was released. This instruction affects Medicaid.

**[View the complete text of Transmittal 1037 \(PDF - 183 KB\)](#)**

**08/23/2006**

### **REGULATIONS PUBLISHED**

CMS-1506-P, entitled "Hospital Outpatient Prospective Payment System and CY 2007 Payment Rates," was released. This regulation affects Hospitals.

**[View CMS-1506-P](#)**

CMS-5035-N, entitled "Senior Risk Reduction Demonstration," was released. This regulation affects Other CMS Business. **[View CMS-5035-N](#)**

**08/22/2006**

### **REGULATIONS PUBLISHED**

CMS-1321-P, entitled "Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2007 and Other Changes to Payment Under Part B," was released. This regulation affects Physicians.

**[View CMS-1321-P](#)**

**08/18/2006**

### **REGULATIONS PUBLISHED**

CMS-1488-F, entitled "Changes to the Hospital Inpatient Prospective Payment Systems and FY 2007 Rates," was released. This regulation affects Hospitals.

**[View CMS-1488-F](#)**

CMS-1540-F, entitled "Prospective Payment System for Inpatient Rehabilitation Facilities for FY 2007," was released. This regulation affects Hospitals.

**[View CMS-1540-F](#)**

## **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 156 of the Medicare Program Integrity Manual, entitled "Evidence of Medical Necessity: Wheelchair and Power-Operated Vehicle (POV) Claims (Clarification of CR 3952, Transmittal 128, Dated October 28, 2005)," was released. This instruction affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies.

**[View the complete text of Transmittal 156 \(PDF - 126 KB\)](#)**

Transmittal 234 of the Medicare One-Time Notification Manual, entitled "Modification of NPI Editing Requirements in CR 4023 and of an Attachment to CR 4320," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 234 \(PDF - 258 KB\)](#)**

Transmittal 235 of the Medicare One-Time Notification Manual, entitled "Correction of Business Requirement 4320.19," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 235 \(PDF - 93 KB\)](#)**

Transmittal 1033 of the Medicare Claims Processing Manual, entitled "Revise Chapters 22 and 24 to delete references to free downloads of X12 implementation guides adopted as HIPAA standards from Washington Publishing Company (WPC)," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1033 \(PDF - 126 KB\)](#)**

Transmittal 1036 of the Medicare Claims Processing Manual, entitled "Updates to Chapter 10 of the Medicare Claims Processing Manual," was released. This instruction affects Home Health Agencies.

**[View the complete text of Transmittal 1036 \(PDF - 573 KB\)](#)**

#### **INSTRUCTIONS RELEASED -- MID-QUARTER**

Transmittal 1031 of the Medicare Claims Processing Manual, entitled "Remittance Advice Remark Code and Claim Adjustment Reason Code Update," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 1031 \(PDF - 154 KB\)](#)**

**08/16/2006**

#### **REGULATIONS PUBLISHED**

CMS-6040-N, entitled "Solicitation for Organizations to Accredite DME Suppliers," was released. This regulation affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies. **[View CMS-6040-N](#)**

**08/11/2006**

#### **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 1025 of the Medicare Claims Processing Manual, entitled "Revised Home Health Advance Beneficiary Notice," was released. This instruction affects Home Health Agencies.

**[View the complete text of Transmittal 1025 \(PDF - 576 KB\)](#)**

Transmittal 1027 of the Medicare Claims Processing Manual, entitled "clarifications and Additions to Chapter 19, Indian Health Services," was released. This instruction affects All Providers.



**[View the complete text of Transmittal 1027 \(PDF -367 KB\)](#)**

#### **INSTRUCTIONS RELEASED – MID-QUARTER**

Transmittal 16 of the Medicare Provider Reimbursement Manual, Part 2, entitled "Provider Cost Reporting Forms and Instructions, Chapter 36, Form CMS-2552-96," was released. This instruction affects All Providers.

**[View the complete text of Transmittal 16 \(PDF - 717 KB\)](#)**

**08/08/2006**

#### **REGULATIONS PUBLISHED**

CMS-1303-F, entitled "Physicians Referrals to Health Care Entities With Which They Have Financial Relationships; Exceptions for Certain Electronic Prescribing and Electronic Health Records Arrangements," was released. This regulation affects Physicians. **[View CMS-1303-F](#)**

**08/04/2006**

#### **INSTRUCTIONS RELEASED – MID-QUARTER**

Transmittal 1023 of the Medicare Claims Processing Manual, entitled "Update To The Hospice Payment Rates, Hospice Cap, Hospice Wage Index and the Hospice Pricer For FY 2007," was released. This instruction affects Hospice.

**[View the complete text of Transmittal 1023 \(PDF - 111 KB\)](#)**

**08/03/2006**

#### **REGULATIONS PUBLISHED**

CMS-1304-P, entitled "Home Health Prospective Payment System Rate Update for Calendar Year 2007 and Deficit Reduction Act of 2005 Changes to Medicare Payment for Oxygen Equipment and Capped Rental Durable Medical Equipment," was released. This regulation affects Home Health Agencies. **[View CMS-1304-P](#)**

**07/31/2006**

#### **REGULATIONS PUBLISHED**

CMS-1530-N, entitled "Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities--Update for FY 2007," was released. This regulation affects Skilled Nursing Facilities. **[View CMS-1530-N](#)**

**07/28/2006**

## **REGULATIONS PUBLISHED**

CMS-1527-N, entitled "Request for Nominations and Meeting of the Practicing Physicians Advisory Council, August 28, 2006," was released. This regulation is a Meeting Notice. [\*\*View CMS-1527-N\*\*](#)

CMS-2251-N, entitled "State Children's Health Insurance Program; Final Allotments to States, the District of Columbia, and U.S. Territories and Commonwealths for Fiscal Year 2007," was released. This regulation affects Medicaid. [\*\*View CMS-2251-N\*\*](#)

## **INSTRUCTIONS RELEASED – MID-QUARTER**

Transmittal 1008 of the Medicare Claims Processing Manual, entitled "Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update for FY 2007," was released. This instruction affects Skilled Nursing Facilities.

[\*\*View the complete text of Transmittal 1008 \(PDF - 80 KB\)\*\*](#)

**07/21/2006**

## **INSTRUCTIONS RELEASED – MID-QUARTER**

Transmittal 16 of the Medicare Contract Beneficiary and Provider Communications Manual, entitled "Disclosure Desk Reference for Provider Contact Centers," was released. This instruction affects All Providers.

[\*\*View the complete text of Transmittal 16 \(PDF - 186 KB\)\*\*](#)

**07/14/2006**

## **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 151 of the Medicare Program Integrity Manual, entitled "Provider Enrollment Appeals Process," was released. This instruction affects All Providers.

[\*\*View the complete text of Transmittal 151 \(PDF - 166 KB\)\*\*](#)

Transmittal 999 of the Medicare Claims Processing Manual, entitled "Non-Physician Practitioner (NPP) Payment for Care Plan Oversight," was released. This instruction affects All Providers.

[\*\*View the complete text of Transmittal 999 \(PDF - 136 KB\)\*\*](#)

## **INSTRUCTIONS RELEASED – MID-QUARTER**

Transmittal 102 of the Medicare Financial Management Manual, entitled "Notice of New Interest Rate for Medicare Overpayments and Underpayments," was released. This instruction affects All Providers.

[\*\*View the complete text of Transmittal 102 \(PDF - 166 KB\)\*\*](#)

**07/13/2006**

## **REGULATIONS PUBLISHED**

CMS-4123-N, entitled "Solicitation for Proposals for Medical Savings Account Demonstration Project," was released. This regulation affects Other CMS Businesses. [\*\*View CMS-4123-N\*\*](#)

**07/12/2006**

## **REGULATIONS PUBLISHED**

CMS-2257-IFC, entitled "Citizenship Documentation Requirements," was released. This regulation affects Medicaid. [\*\*View CMS-2257-IFC\*\*](#)

**07/06/2006**

## **REGULATIONS PUBLISHED**

CMS-1531-F, entitled "Revision of the Deadline for Submission of Emergency Graduate Medical Education Affiliation Agreements," was released. This regulation affects Hospitals. [\*\*View CMS-1531-F\*\*](#)

**07/03/2006**

## **INSTRUCTIONS RELEASED -- MANUALIZATION/CORRECTION/CLARIFICATION**

Transmittal 100 of the Medicare Financial Management Manual, entitled "Collection of Fee-for-Service Payments Made During Periods of Managed Care Enrollment," was released. This instruction affect All Providers.

[\*\*View the complete text of Transmittal 100 \(PDF - 210 KB\)\*\*](#)