

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13189	Date: April 24, 2025
	Change Request 14021

SUBJECT: Update to the All-Inclusive Rate (AIR) Add-On Payment for High-Cost Drugs Provided by Indian Health Service (IHS) and Tribal Hospitals

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to implement updated changes that are necessary to make an add-on payment for high-cost drugs provided by IHS and tribal hospitals in addition to the All-Inclusive Rate (AIR), effective January 1, 2025.

EFFECTIVE DATE: October 1, 2025

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

IMPLEMENTATION DATE: October 6, 2025

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	N/A

III. FUNDING:

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

Attachment - One-Time Notification

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II. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to implement updated changes that are necessary to make an add-on payment for high-cost drugs provided by IHS and tribal hospitals in addition to the All-Inclusive Rate (AIR), effective January 1, 2025.

B. Policy: No policy changes.

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
14021.1	The FISS Maintainer shall bypass existing Zip Code (PIND) validation logic and process ASP Drug payment on TOBs 12x or 13x for IHS/Tribal facilities with a provider type 08 containing Revenue Code 0636 using the Indicator B rate from the ASP Drug file.					X				
14021.2	FISS shall create an ASP report for only codes that are on the ASP file with a B Indicator (00000-01, B), similar to the RPTHN29C report (Pricing Fields and/or Rev Code Diff from Fee File Update).					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	<p>The output should be as follows:</p> <p>-HCPCS codes that did not have a previous B indicator rate line (00000-01, B)</p> <p>-HCPCS codes that have a previous termination date on the B indicator rate line (00000-01, B)</p>									

IV. PROVIDER EDUCATION

None

Impacted Contractors: None

V. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0