

<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 10058</b>	<b>Date: April 24, 2020</b>
	<b>Change Request 11764</b>

**SUBJECT: July 2020 Quarterly Update to the Inpatient Prospective Payment System (IPPS) Fiscal Year (FY) 2020 Pricer**

**I. SUMMARY OF CHANGES:** This Change Request (CR) updates the IPPS Pricer software used in Original Medicare claims processing. The new version includes new payment policy for the Novel Coronavirus Disease, COVID-19. This recurring update notification applies to publication 100-04, chapter 3, section 20.3.4.

**EFFECTIVE DATE: January 27, 2020**

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

**IMPLEMENTATION DATE: July 6, 2020**

*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.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 10058	Date: April 24, 2020	Change Request: 11764
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## I. GENERAL INFORMATION

**A. Background:** In response to the declaration of the Novel Coronavirus Disease, (COVID-19) outbreak as a public health emergency, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provides a temporary payment policy for certain IPPS claims.

This Change Request (CR) allows the Fiscal Intermediary Shared System (FISS) to install the IPPS Pricer.

**B. Policy:** The following policy changes are required as part of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) enacted on March 27, 2020. All items covered in this instruction are effective for hospital discharges occurring on or after January 27, 2020.

A new IPPS Pricer software package will be released in April 2020 to include this temporary payment policy effective for claims with discharges occurring on or after January 27, 2020. The new revised Pricer program shall be installed timely to ensure accurate payments for IPPS claims.

Section 3710 of the CARES Act directs the Secretary to increase the weighting factor of the assigned diagnosis-related group (DRG) by 20 percent for an individual diagnosed with COVID-19 discharged during the COVID-19 public health emergency period. Discharges of an individual diagnosed with COVID-19 will be identified by the presence of the following International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) diagnosis codes:

- B97.29 (Other coronavirus as the cause of diseases classified elsewhere) for discharges occurring on or after January 27, 2020 and on or before March 31, 2020.
- U07.1 (COVID-19) for discharges occurring on or after April 1, 2020 through the duration of the COVID-19 public health emergency period.

(Additional instructions will be issued once the COVID-19 public health emergency period has concluded.)

As needed, Medicare Administrative Contractors (MACs) may refer providers to the following ICD-10-CM coding guidance for coding encounters related to COVID-19:

- For discharges on or after April 1, 2020, the ICD-10-CM Official Coding and Reporting Guidelines at: <https://www.cdc.gov/nchs/data/icd/COVID-19-guidelines-final.pdf>
- For discharges prior to April 1, 2020, the ICD-10-CM Official Coding Guideline - Supplement, available at <https://www.cdc.gov/nchs/data/icd/ICD-10-CM-Official-Coding-Gudance-Interim-Advice-coronavirus-feb-20-2020.pdf>.

To implement this temporary adjustment, the Pricer will apply an adjustment factor to increase the Medicare Severity-Diagnosis Related Group (MS-DRG) relative weight that would otherwise be applied by 20 percent

when determining IPPS operating payments (including calculation of payments such as for disproportionate share hospitals (DSHs), indirect medical education (IME), outliers, new technologies, and low-volume hospitals and hospital specific rate payments for sole community hospitals (SCHs) and Medicare-dependent hospitals (MDHs)) for discharges described above.

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
11764.1	Medicare contractors shall install and pay claims with the revised fiscal year 2020 IPPS Pricer for discharges on or after January 27, 2020.					X					
11764.2	Medicare contractors shall locate and initiate adjustments of IPPS claims with the following criteria by June 1, 2020. <ul style="list-style-type: none"> <li>a diagnosis code B97.29 (in any diagnosis code field) and</li> <li>a discharge date on or after January 27, 2020, through March 31, 2020.</li> </ul>	X									
11764.3	Medicare contractors shall locate and initiate adjustments of IPPS claims with the following criteria by June 1, 2020: <ul style="list-style-type: none"> <li>a diagnosis code U07.1 (in any diagnosis code field) and</li> <li>a discharge date on or after April 1, 2020, through the successful implementation of the Pricer.</li> </ul>	X									

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E D I	C M E D I
		A	B	H H H		
11764.4	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.	X				

**IV. 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**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Cami DiGiacomo, Cami.digiacomocms@cms.hhs.gov

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

**VI. FUNDING**

**Section A: For Medicare Administrative Contractors (MACs):**

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**ATTACHMENTS: 0**