

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10543	Date: January 28, 2022
	Change Request 12072

Transmittal 10514, dated December 11, 2020, is being rescinded and replaced by Transmittal 10543, dated, January 28, 2022 to add business requirement 12072.4 and to add additional information in the Policy section. All other information remains the same.

NOTE: This Transmittal is no longer sensitive and is being re-communicated January 28, 2022. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

SUBJECT: January 2021 Quarterly Update to the Inpatient Prospective Payment System (IPPS) and Long Term Care Hospital (LTCH) Fiscal Year (FY) 2021 PPS Pricers

I. SUMMARY OF CHANGES: This Change Request (CR) updates the IPPS and LTCH Pricer software used in Original Medicare claims processing. This recurring update notification applies to publication 100-04, chapter 3, section 20.3.4.

EFFECTIVE DATE: October 1, 2020 - For FY 2021 Rate and Table changes; November 2, 2020 - For IPPS New Covid-19 Treatment Add-on Payment (NCTAP)

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

IMPLEMENTATION DATE: January 4, 2021

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:

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: 10543	Date: January 28, 2022	Change Request: 12072
-------------	--------------------	------------------------	-----------------------

Transmittal 10514, dated December 11, 2020, is being rescinded and replaced by Transmittal 10543, dated, January 28, 2022 to add business requirement 12072.4 and to add additional information in the Policy section. All other information remains the same.

NOTE: This Transmittal is no longer sensitive and is being re-communicated January 28, 2022. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

SUBJECT: January 2021 Quarterly Update to the Inpatient Prospective Payment System (IPPS) and Long Term Care Hospital (LTCH) Fiscal Year (FY) 2021 PPS Pricers

EFFECTIVE DATE: October 1, 2020 - For FY 2021 Rate and Table changes; November 2, 2020 - For IPPS New Covid-19 Treatment Add-on Payment (NCTAP)

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

IMPLEMENTATION DATE: January 4, 2021

I. GENERAL INFORMATION

A. Background: This Change Request (CR) allows the Fiscal Intermediary Shared System (FISS) to install the updated version of the FY 2021 IPPS and LTCH PPS Pricers.

B. Policy: Policy changes for FY 2021 were included in CR 11879 (Fiscal Year (FY) 2021 Inpatient Prospective Payment System (IPPS) and Long Term Care Hospital (LTCH) PPS Changes). This CR provides a mechanism to incorporate rate and wage index change updates established in the correction notice to the FY 2021 Corrected Final Rule under CMS-1735-CN, published in the Federal Register on December 7, 2020.

The FY 2021 Final Rule Data Files, FY 2021 Final Rule Tables, and FY 2021 MAC Implementation Files which have been updated to reflect the changes in CMS-1735-N, are available on the CMS website. Medicare Administrative Contractors (MACs) shall use these files (when not otherwise specified) which are available at <https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page>.

Alternatively, the files on the webpages listed above are also available on the CMS website at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html>. Click on the link on the left side of the screen titled, "FY 2021 IPPS Final Rule Home Page" or the link titled "Acute Inpatient--Files for Download" (and select 'Files for FY 2021 Final Rule').

IPPS New COVID-19 Treatments Add-on Payment (NCTAP)

In the Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency Interim Final Rule with Comment Period (CMS-9912-IFC) published in the **Federal Register** on November 6, 2020 (85 FS 71142), CMS provides an enhanced payment for eligible inpatient cases that involve use of certain new products authorized or approved to treat COVID-19. At the time of the issuance of CMS-9912-IFC, there were only two drug or biological products that met the criterion for NCTAP: Veklury (remdesivir) and COVID-19 convalescent plasma. Subsequently, on November 19, 2020, the FDA authorized the emergency use of Olumiant (baricitinib), in combination with remdesivir, for the treatment of COVID-19.

Under the NCTAP policy, the enhanced payment is equal to the lesser of: (1) 65 percent of the operating outlier threshold for the claim; or (2) 65 percent of the cost of a COVID-19 stay beyond the operating IPPS payment (including the 20 percent add-on payment under section 3710 of the CARES Act) for eligible

cases. The NCTAP is calculated by the Pricer. We note, the calculation of operating outlier payments are not impacted by the NCTAP.

CMS identifies eligible claims by the presence of ICD-10-CM diagnosis code U07.1 (COVID-19) and the presence of ICD-10-PCS codes for remdesivir (Veklury), COVID-19 convalescent plasma, or baricitinib (Olumiant) in combination with remdesivir. For hospital discharges involving use of remdesivir or COVID-19 convalescent plasma on or after November 2, 2020, through the duration of the COVID-19 PHE:

ICD-10-PCS Code | Description

- XW033E5 | Introduction of remdesivir anti-infective into peripheral vein, percutaneous approach, new technology group 5
- XW043E5 | Introduction of remdesivir anti-infective into central vein, percutaneous approach, new technology group 5
- XW13325 | Transfusion of convalescent plasma (nonautologous) into peripheral vein, percutaneous approach, new technology group 5
- XW14325 | Transfusion of convalescent plasma (nonautologous) into central vein, percutaneous approach, new technology group 5

For hospital discharges involving use of baricitinib on or after November 19, 2020 and on or before December 31, 2020*:

ICD-10-PCS Code | Description

- XW0DXF5 | Introduction of other new technology therapeutic substance into mouth and pharynx, external approach, new technology group 5
- 3E0G7GC | Introduction of other therapeutic substance into upper G.I. via natural or artificial opening
- 3E0H7GC | Introduction of other therapeutic substance into lower G.I. via natural or artificial opening

**In accordance with the EUA, claims should also include the code for remdesivir (XW033E5 or XW043E5).*

For hospital discharges involving use of baricitinib on or after January 1, 2021, through the duration of the COVID-19 PHE*:

ICD-10-PCS Code | Description

- XW0DXM6 | Introduction of baricitinib into mouth and pharynx, external approach, new technology group 6
- XW0G7M6 | Introduction of baricitinib into upper GI, via natural or artificial opening, new technology group 6
- XW0H7M6 | Introduction of baricitinib into lower GI, via natural or artificial opening, new technology group 6

**In accordance with the EUA, claims should also include the code for remdesivir (XW033E5 or XW043E5).*

Hospitals should report the ICD-10-PCS code(s) for all products administered during the stay, regardless of whether or not the hospital received the product at no cost. We note that a hospital should not seek additional payment on the claim for drugs or biologicals procured or provided by a governmental entity to a provider at no cost to the provider to diagnose or treat patients with known or suspected COVID-19, as described in the CMS Medicare Claims Processing Manual, Pub. 100-04, Chapter 32, Section 67 found at

MAC Implementation:

The files posted on the FY 2021 IPPS Final Rule Home Page have been updated as applicable to reflect the changes made by the correction notice. MACs shall ensure the Provider Specific File (PSF) is updated to reflect any updates to those files due to the correction notice (which can be identified by “Correction Notice” added to the file title for the Data Files and Tables). The MAC Implementation Files has also been updated as applicable for changes related to CMS-1735-F and CMS-1735-CN.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
12072.1	Medicare contractors shall install and pay claims with the revised Fiscal Year 2021 IPPS Pricer for discharges on or after October 1, 2020.					X				
12072.2	Medicare contractors shall install and pay claims with the revised Fiscal Year 2021 LTCH Pricer for discharges on or after October 1, 2020.					X				
12072.3	<p>Upon release and implementation of the revised FY 2021 IPPS and LTCH Pricers, Medicare contractors shall reprocess FY 2021 claims no later than June 1, 2021 as follows:</p> <ul style="list-style-type: none"> For IPPS claims, reprocess claims with discharges occurring on or after 10/01/2020 and on or before 09/30/2021, processed prior to the installation of the corrected FY 2021 IPPS Pricer. For LTCH claims, reprocess claims subject to the short stay outlier policy with discharges occurring on or after 10/01/2020 and on or before 09/30/2021, processed prior to the installation of the corrected FY 2021 LTCH Pricer. 	X								
12072.4	Medicare contractors shall ensure the Provider Specific File (PSF) is updated to reflect any changes as a result of the FY 2021 Final Rule and Correction notice, data files, and tables as posted to the IPPS Final Rule webpage relating to CMS-1735-F and CMS-1735-CN. MAC Implementation files have been updated as applicable. The contractors shall complete	X								

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	the PSF updates no later than January 11, 2021.									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

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): Yvette Rivas, yvette.rivas@cms.hhs.gov

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

VI. FUNDING

Section A: 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.

ATTACHMENTS: 0