

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 12004</b>	<b>Date: April 27, 2023</b>
	<b>Change Request 13119</b>

**NOTE: This Transmittal is no longer sensitive and is being re-communicated May 07, 2024. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.**

**SUBJECT: Retirement of Three California Localities in the Medicare Physician Fee Schedule (MPFS), and in Enrollment Records**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to retire some California Localities and compress them into a couple of current localities.

**EFFECTIVE DATE: January 1, 2024**

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

**IMPLEMENTATION DATE: October 2, 2023**

*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	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

Pub. 100-20	Transmittal: 12004	Date: April 27, 2023	Change Request: 13119
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## I. GENERAL INFORMATION

**A. Background:** The purpose of this Change Request (CR) is to retire some California Localities and compress them into a couple of current localities.

In the Physician Fee Schedule (PFS) final rule for Calendar year 2023, changes were finalized so that effective for claims with dates of service on or after January 1, 2024, current locality codes for California identified as Locality codes 05, 06 and 07 are being compressed to the single locality code 05 (San Francisco/San Mateo/Alameda/Contra Costa County) thus retiring localities 06 and 07.

Additionally, locality codes 18 and 26 are being compressed to the single locality code 18 (Los Angeles/Orange County) thus retiring locality code 26 for claims with dates of service on or after January 1, 2024.

Effective for dates of service on and after January 1, 2024, the retired localities are no longer needed for claims processing (specifically for the Geographic Practice Cost Indices (GPCIs)) now that the California Metropolitan Statistical Area (MSA) transition is complete.

In order to accommodate the compressed locality codes, an update to locality code information for all applicable and affected enrollment records in the *Provider Enrollment, Chain, and Ownership System (PECOS)* is needed so that the shared system maintainers can create and run, as necessary, a utility to assist with Medicare Administrative Contractor (MAC) workload to update their Provider Master Files.

The 2024 pricing files impacted by the locality changes are: Ambulance, Anesthesia conversion factor file, MPFS file, the MPFS FI Abstract files (for Skilled Nursing Facility (SNF), Mammography, Hospice/Home Health, and Therapy), the Opioid Treatment Program (OTP) file, and the Home Infusion Therapy (HIT) file. The CMS Zip Code file will also be impacted by these locality changes.

**B. Policy:** This CR represents no change to policy. Contractors shall be made aware of these changes to the locality codes and make changes as necessary to their Provider master files in order to properly adjudicate claims with these 2024 locality codes. PECOS shall be updated to assist with the acceptance of these compressed locality codes in the relevant claims processing systems.

## 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		
13119.1	The contractor shall create and run a conversion of enrollment records and data so that any properly Medicare enrolled providers/suppliers showing as enrolled in California (CA) Locality 06 or 07 show instead as being enrolled in Locality 05.										PECOS
13119.2	The contractor shall create and run a conversion of enrollment records and data so that any properly Medicare enrolled providers/supplier showing as enrolled in CA Locality 26 show instead as being enrolled in Locality 18.										PECOS
13119.3	Shared System Maintainers (SSMs) shall create and run a utility, when necessary, so that MACs are able to update their provider master files with the new provider/supplier locality information.					X	X				VDC
13119.4	Contractors shall ensure the PECOS conversion (Business Requirements (BR) 13119.1 and 13119.2) and/or the SSM utility (BR 13119.3) has triggered the necessary updates to their Provider Master files.	X	X	X							
13119.4.1	RRB SMAC shall update their provider records in PES.										RRB-SMAC
13119.5	Contractors shall ensure that any new Medicare enrollments of providers/suppliers finalized on or after January 1, 2024 do not assign locality codes 06, 07, or 26.	X	X	X							PECOS
13119.5.1	CWF shall update the Contractor Aux file in the Health Insurance Master Record (HIMR) to show locality 06, 07 and 26 are retired as of December 31, 2023.									X	
13119.6	There are several files used for pricing that use the MPFS localities. For claims with dates of service on or after January 1, 2024, contractors shall use the redefined MPFS California locality codes when paying claims using the following files:	X	X	X		X					

Number	Requirement	Responsibility									
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers				Other	
		A	B			F I S S	M C S	V M S	C W F		
	<p>Ambulance;</p> <p>Anesthesia conversion factor file;</p> <p>MPFS file;</p> <p>FI Abstract files (SNF, Mammography, Hospice/Home Health, and Therapy);</p> <p>OTP file;</p> <p>HIT file; and,</p> <p>CMS Zip Code file.</p> <p>NOTE: California localities 06, 07, and 26 are still valid pricing locations when paying claims with dates of service <u>prior</u> to January 1, 2024.</p>										
13119.6.1	To facilitate systems testing, contractors/data centers shall retrieve preliminary test files (for each of the files in requirement 13119.6) from the CMS mainframe telecommunication systems on or about June 2, 2023.	X	X	X		X				VDC	
13119.7	<p>CWF shall update the Contractor Aux file in HIMR for contractor #'s as stated below:</p> <p>01112 – locality 06</p> <p>01112 – locality 07</p> <p>01182 – locality 26</p>								X		

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility		
		A/B MAC	D M E	C E D

		A	B	H H H	M A C	I
	None					

**IV. SUPPORTING INFORMATION**

**Section A: Recommendations and supporting information associated with listed requirements:**

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

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

**V. CONTACTS**

**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**