

<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 3987</b>	<b>Date: March 2, 2018</b>
	<b>Change Request 10511</b>

**SUBJECT: Indian Health Services (IHS) Hospital Payment Rates for Calendar Year 2018**

**I. SUMMARY OF CHANGES:** Annual update of Indian Health Services (IHS) payment rates for calendar year 2018. The attached Recurring Update Notification applies to Chapter 19, Section 100.3.4, 100.4.2, and 100.5.

**EFFECTIVE DATE: January 1, 2018**

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

**IMPLEMENTATION DATE: April 2, 2018**

*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:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3987	Date: March 2, 2018	Change Request: 10511
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**SUBJECT: Indian Health Services (IHS) Hospital Payment Rates for Calendar Year 2018**

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## I. GENERAL INFORMATION

**A. Background:** The purpose of this notification is to inform Novitas Solutions, Inc., the contractor that processes IHS hospital claims, that the Office of Management and Budget approved the rates listed in the attachment to this notice. The IHS published the Outpatient Per Visit and Medicare Part B Inpatient Ancillary Per Diem rates in the Federal Register on January 5, 2018. However, Novitas Solutions, Inc. did not have CMS' approval to make payment adjustments for the changes in the outpatient rate and the ancillary Part B rate.

This notification informs Novitas Solutions, Inc. of the hospital outpatient and ancillary Part B rates.

This notification authorizes Novitas Solutions, Inc. to make payment adjustments as necessary resulting from the rate changes for the 2018 calendar year.

**B. Policy:** Section 1880 of the Social Security Act authorizes CMS to establish payment mechanisms and payment rates to Indian Health Service Facilities.

## 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	
10511.1	Novitas Solutions, Inc. shall implement the payment rates set forth in this transmittal.	X								
10511.2	Novitas Solutions, Inc. shall adjust the claims for the difference between the 2017 and 2018 IHS Rates.	X								
10511.3	Novitas Solutions, Inc. shall make any required payment adjustments as follows:  1) Novitas Solutions, Inc. shall reprocess the claims for dates of service on or after January 1, 2018 using the outpatient per visit and Medicare Part B inpatient ancillary per diem rates published in 83 FR 682 (January 5, 2018).	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		
	<p>2) Novitas Solutions, Inc. shall determine the difference due the provider by comparing the amount to be paid on each claim using the published updated rates to the amount originally paid for the claim.</p> <p>3) Novitas Solutions, Inc. shall pay the provider the difference due.</p>										

### 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):** Yaakov Feinstein, 410-786-3137 or yaakov.feinstein@cms.hhs.gov , Susan Burris, 410-786-6655 or susan.burris@cms.hhs.gov , Bob Kuhl, 410-786-4597 or robert.kuhl@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: 1**

**ATTACHMENT: Schedule of Indian Health Service (IHS) Hospital Payment Rates for  
Calendar Year 2018**

<b><u>Lower 48 States</u></b>	<b><u>CY 2017*</u></b>	<b><u>CY 2018</u></b>
Medicare Inpatient Ancillary Part B	\$679	\$740
Medicare Outpatient per Visit Rate	\$349	\$383
<b><u>Alaska</u></b>		
Medicare Inpatient Ancillary Part B	\$1,046	\$1,061
Medicare Outpatient per Visit Rate	\$577	\$595

\* Prior year rates presented for information and comparison.