CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3603	Date: August 26, 2016
	Change Request 9735

SUBJECT: 2017 Annual Update of Healthcare Common Procedure Coding System (HCPCS) Codes for Skilled Nursing Facility (SNF) Consolidated Billing (CB) Update

I. SUMMARY OF CHANGES: Changes to HCPCS codes and Medicare Physician Fee Schedule designations will be used to revise CWF edits to allow A/B MACs to make appropriate payments in accordance with policy for SNF CB in Chapter 6, Section 110.4.1 for A/B MACs (B) and Chapter 6, Section 20.6 for A/B MACs (A).

EFFECTIVE DATE: January 1, 2017

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

IMPLEMENTATION DATE: January 3, 2017

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:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04 3603	August 26, 2016	Change Request: 9735
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EFFECTIVE DATE: January 1, 2017

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I. GENERAL INFORMATION

A. Background: The Common Working File (CWF) currently has edits in place for claims received for beneficiaries in a Part A covered SNF stay as well as for beneficiaries in a non-covered stay. These edits allow only those services that are excluded from consolidated billing to be separately paid. Barring any delay in the Medicare Physician Fee Schedule, the new code files will be provided to CWF by November 1, 2016.

For A/B MAC (B) processing only: By the first week in December 2016, new code files will be posted to the CMS Web site at: http://www.cms.gov/SNFConsolidatedBilling/.

For A/B MAC (A) processing only: By the first week in December 2016, new Excel and PDF files will be posted to the CMS Web site at: http://www.cms.gov/SNFConsolidatedBilling/. It is **important and necessary** for the provider/contractor community to view the "General Explanation of the Major Categories" PDF file located at the bottom of each year's update in order to understand the Major Categories including additional exclusions not driven by HCPCS codes.

B. Policy: Changes to HCPCS codes and Medicare Physician Fee Schedule designations will be used to revise CWF edits to allow A/B MACs to make appropriate payments in accordance with policy for SNF consolidated billing in Chapter 6, Section 110.4.1 for A/B MACs (B) and Chapter 6, Section 20.6 for A/B MACs (A).

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
·			A/B	}	D		Sha	red-		Other
		N	MA		M		Sys	tem		
					Е	M	aint	aine	ers	
		A	В	Н		F	M	V	C	
				Н	M	I	C	M	W	
				Н	A	S	S	S	F	
					C	S				
9735.1	The CWF contractor shall accept new A/B MAC (B)								X	
	and A/B MAC (A) SNF coding files and process SNF									
	CB claims for dates of service on or after January 1,									
	2017 through December 31, 2017 using these files.									

Number	Requirement	Responsibility								
			А/В ИА(D M			red- tem		Other
					Е	M	aint	aine	ers	
		A	В	H H H	M A C	F I S S	M C S	V M S	_	
9735.2	The CWF contractor shall compare the new A/B MAC (A) code list for Major Categories I-V to the codes in the current edit. Codes that appear on the new list, but not in the current edit, shall be added to the edit.								X	
9735.3	After comparing all codes on the new edit lists to those in the current edits, the CWF contractor shall provide CMS with a list of codes by edit that were formerly on the edits, but do not appear on the new code lists.								X	
9735.4	The CWF contractor shall delete codes from the edits per CMS' determination.								X	
9735.5	Medicare contractors shall continue to respond to rejects and unsolicited responses received from CWF per current methodology.	X	X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement				onsibility				
			A/I MA		D M E	C E D			
		A	В	H H H	M A C	Ι			
9735.6	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X	X				

IV. SUPPORTING INFORMATION

 ${\bf Section \ A: \ Recommendations \ and \ supporting \ information \ associated \ with \ listed \ requirements:}$

"Should" denotes a recommendation.

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

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

V. CONTACTS

Pre-Implementation Contact(s): Cindy Pitts, Cindy.Pitts@cms.hhs.gov , Ian Kramer, Ian.Kramer@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