

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-02 Medicare Benefit Policy	Centers for Medicare & Medicaid Services (CMS)
Transmittal 86	Date: April 18, 2008
	Change Request 5807

SUBJECT: Payment for Medicare Part B Services Furnished by Certain Indian Health Service (IHS) Hospitals and Clinics

I. SUMMARY OF CHANGES: This transmittal manualizes a change that has been implemented. Information in Pub.100-02, chapter 15, section 30.6 requires revision concerning Medicare reimbursement to Indian Health Services Facilities (IHS) for all items and services for which payment may be made under Part B, subject to certain limitations, as specified in section 1880(e)(1)(A) of the Act, for a 5-year period beginning January 1, 2005. Section 30.6 is being revised to reflect section 630 of the MMA of 2003 which provides for Part B payment to IHS facilities. Information in chapter 15, section 30.6 that does not reflect the MMA update is being removed and a new section 30.6.1 is being added to reflect the MMA update to allow for Part B payment to IHS facilities, providers and suppliers, with certain limitations, as specified in the Act. Information concerning reimbursement for Medicare Part B services, furnished by IHS facilities, can be found in Pub.100-04, Medicare Claims Processing manual, chapter 19.

New / Revised Material

Effective Date: September 11, 2006

Implementation Date: May 19, 2008

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

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	15/Table of Contents
R	15/30.6/Indian Health Service (IHS) Physician and Non-Physician Service
N	15/30.6.1/Payment for Medicare Part B Services Furnished by Certain IHS Hospital and Clinics

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

SECTION B: 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:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-02	Transmittal: 86	Date: April 18, 2008	Change Request: 5807
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SUBJECT: Payment for Medicare Part B Services Furnished by Certain Indian Health Service (IHS) Hospitals and Clinics

Effective Date: September 11, 2006

Implementation Date: May 19, 2008

I. GENERAL INFORMATION

A. Background: Transmittal 1040, CR 5230, issued on August 25, 2006, implemented section 1880(e)(1)(A) of Title XVIII of the Social Security Act (the Act), as amended by §630 of the Medicare Modernization Act of 2003 (MMA). This amendment provided for payment to IHS facilities, providers and suppliers for all items and services for which payment may be made under Part B, subject to certain limitations, for a 5-year period beginning January 1, 2005.

B. Policy: Effective for the 5-year period beginning January 1, 2005, IHS facilities, providers and suppliers may bill Medicare for all other Part B items and services, which are not paid under the physician fee schedule and which are not included in the Medicare IHS all inclusive rate.

See Pub.100-04, Medicare Claim Processing Manual, chapter 19 for more information on these benefits and the effective date for each of these benefits.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers			
						F I S S	M C S	V M S	C W F	
5807.1	Contractors shall be aware that the information in Pub. 100-02, chapter 15, section 30.6 regarding payment to IHS facilities has been removed and that information concerning payment for Medicare Part B services furnished by IHS facilities, providers and suppliers can be found in Pub.100-04, Chapter 19.	X	X	X						
5807.2	Contractors shall refer to chapter 19 of the Medicare Claims Processing Manual for billing procedures, physician and non-physician services and other Part B services.	X	X	X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
CR 5230	

Section B: For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact(s): Susan Webster at 410-786-3384 or susan.webster@cms.hhs.gov

Post-Implementation Contact(s): Your appropriate Regional Office (RO)

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs)* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:

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.

Medicare Benefit Policy Manual

Chapter 15 – Covered Medical and Other Health Services

Table of Contents

(Rev.86, 04-18-08)

30.6.1 – Payment for Medicare Part B Services Furnished by Certain IHS Hospitals and Clinics

30.6 - Indian Health Service (IHS) Physician and Non-physician Services

(Rev.86, Issued: 04-18-08, Effective: 09-11-06, Implementation: 05-19-08)

This information can also be found in the Medicare Claims Processing Manual, Publication 100-04, chapter 19.

Section 1880 of Title XVIII of the Social Security Act (the Act) provides an exception for Indian Health Service to the general prohibition of payment to Federal Agencies.

The following facilities, which were unable to bill for practitioner services prior to BIPA, may now be paid:

- Outpatient departments of IHS operated hospitals that meet the definition of provider-based in 42 CFR 413.65; and
- Outpatient clinics (freestanding) operated by the IHS.

The following facilities, which were limited by §1880 of the Act, may be paid for services under BIPA or may be paid under another authority under which it qualifies.

- Outpatient departments of tribally operated hospitals that are operated by a tribe or tribal organization; and
- Other outpatient facilities that are tribally operated regardless of ownership.

See the Medicare Claims Processing Manual chapter 19 for a description of billing procedures, *physician and non-physician services and other Part B services*.

30.6.1 - Payment for Medicare Part B Services Furnished by Certain IHS Hospitals and Clinics

(Rev.86, Issued: 04-18-08, Effective: 09-11-06, Implementation: 05-19-08)

Section 1880 of the Act, as amended by §630 of the Medicare Modernization Act of 2003 (MMA), expands the scope of items and services for which payment may be made to IHS facilities, providers and suppliers to include all Part B covered items and services for which payment may be made under Part B, subject to certain limitations as specified in §1880(e)(1)(A) of the Act, for a 5-year period beginning January 1, 2005.

Specifically, for the 5-year period beginning January 1, 2005, IHS facilities, providers and suppliers may bill Medicare for the following Part B services:

- *Durable medical equipment*
- *Prosthetics and orthotics*
- *Prosthetics devices*
- *Therapeutic shoes*

- *Surgical dressings and splint casts*
- *Drugs (Part B and DMERC)*
- *Clinical laboratory services, and*
- *Ambulance services*
- *Screening and preventive services not already covered*

See Pub. 100.04, chapter 19, Medicare Claims Processing Manual, for more information on these benefits and the effective date for each of these benefits.