

CMS Manual System

Pub 100-20 One-Time Notification

Transmittal 197

Department of Health &
Human Services (DHHS)

Centers for Medicare &
Medicaid Services (CMS)

Date: DECEMBER 9,
2005

Change Request 4205

SUBJECT: Inpatient Prospective Payment System (IPPS) and Skilled Nursing Facilities (SNF) Wage Index Corrections FY 2005-2006

I. SUMMARY OF CHANGES: This Change Request outlines changes for IPPS hospitals and Skilled Nursing Facilities for FY 2006 and retroactive changes to FY 2005.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : January 9, 2006

IMPLEMENTATION DATE : January 9, 2006

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
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III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 197	Date: December 9, 2005	Change Request: 4205
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SUBJECT: Inpatient Prospective Payment System (IPPS) and Skilled Nursing Facilities (SNF) Wage Index Corrections FY 2005-2006

I. GENERAL INFORMATION

A. Background: This Change Request (CR) outlines changes for IPPS hospitals and Skilled Nursing Facilities for FY 2005 and FY 2006. The CR also includes the retroactive changes for corrections to the FY 2005 wage index for those hospitals meeting criteria specified in the FY 2006 IPPS final rule (70 FR 47386) and at 42 CFR 412.64(k)(2).

Also, addressed are the FY 2006 wage index corrections to the FY 2006 IPPS final rule (70 FR 47580-47607) in Tables 4A, 4B, 4C, and included on IPPS PRICER 06.0.

This CR also addresses corrections to two tables published in the FY 2006 SNF PPS final rule (70 FR 45026) on August 4, 2005. Corrections are made to Table 8 and Table A.

B. Policy:

FY 2006 Wage Index Corrections (High Priority)

The following are corrections to wage index values that were published in the FY 2006 hospital inpatient prospective payment system (IPPS) final rule (70 FR 47580-47607) and included on the IPPS PRICER 06.0. Below is a table that lists the Core Based Statistical Area (CBSA), the corrected Wage Index, and the corrected Geographic Adjustment Factor (GAF).

Table 4A Urban Areas:

<u>CBSA Code</u>	<u>Corrected Wage Index</u>	<u>Corrected GAF</u>
26420 Houston, TX	0.9999	0.9999
26820 Idaho Falls, ID	0.9400	0.9585
30300 (WA Hospitals)	1.0511	1.0347
31020 (WA Hospitals)	1.0511	1.0347
34580 (WA Hospitals)	1.0511	1.0347
34980 Nashville, TN	0.9778	0.9847
39140 Prescott, AZ	0.9874	0.9914
48300 Wenatchee, WA	1.0511	1.0347
49420 Yakima, WA	1.0511	1.0347

Table 4B Rural Areas:

<u>CBSA Code</u>	<u>Corrected Wage Index</u>	<u>Corrected GAF</u>
50 Washington	1.0511	1.0347

Table 4C Reclassified Hospitals:

<u>CBSA Code</u>	<u>Corrected Wage Index</u>	<u>Corrected GAF</u>
26420 Houston, TX	0.9999	0.9999
26820 Idaho Falls, ID	0.9400	0.9585
34980 Nashville, TN	0.9506	0.9659

These wage index values will need to be corrected by utilizing the special wage index fields in the provider specific file. If, for payment purposes, a provider is located in either of these CBSAs, enter a '1' (or a '2' if the provider is reclassified) in the Special Payment Indicator field (file position 138). Enter the appropriate corrected wage index value in the Special Wage Index field (file position 155-160).

If other providers not on our list are located in the affected CBSAs, they will need to be corrected in the same manner.

FY 2005 Wage Index Corrections

In the FY 2006 IPPS final rule (70 FR 47386), the Centers for Medicare & Medicaid Services (CMS) discussed a limited retroactive correction to the FY 2005 wage index for hospitals meeting criteria specified in that rule and in 42 CFR 412.64(k)(2). The CMS has identified the hospitals that meet those criteria and determined that the wage index values and geographic adjustment factors (GAF) must be corrected for the following areas **for discharges occurring on or after October 1, 2004, through December 31, 2004**. (The new wage index values replaced those originally published in Table 2 of the August 11, 2004, *Federal Register*, 69 FR 49295 - 49423.)

Table 2:

<u>Provider #</u>	<u>Corrected Wage Index</u>	<u>Corrected GAF</u>
170012	0.9187	0.9436
170013	0.9187	0.9436
170017	0.9486	0.9645
170020	0.9187	0.9436
170023	0.9187	0.9436
170033	0.9187	0.9436
170039	0.9472	0.9635
170103	0.9486	0.9645
170122	0.9486	0.9645
170123	0.9486	0.9645
170147	0.9486	0.9645
170175	0.9187	0.9436
170183	0.9486	0.9645
170186	0.9486	0.9645
170192	0.9486	0.9645
180007	0.9336	0.9540

180010	0.9336	0.9540
180011	0.8931	0.9255
180018	0.8931	0.9255
180046	0.9336	0.9540
180049	0.9336	0.9540
180055	0.9336	0.9540
180067	0.9336	0.9540
180080	0.8931	0.9255
180092	0.9336	0.9540
180101	0.9336	0.9540
180103	0.9336	0.9540
180132	0.8931	0.9255
180139	0.8931	0.9255
180143	0.9336	0.9540
180144	0.9336	0.9540
190013	0.7959	0.8553
190027	0.7959	0.8553
190037	0.7940	0.8539
190060	0.7959	0.8553
190161	0.7959	0.8553
190201	0.7959	0.8553
100002	1.0348	1.0237
100080	1.0348	1.0237
100098	1.0348	1.0237
100130	1.0348	1.0237
100168	1.0348	1.0237
100234	1.0348	1.0237
100253	1.0348	1.0237
100258	1.0348	1.0237
100268	1.0348	1.0237
100269	1.0348	1.0237
100275	1.0348	1.0237
100287	1.0348	1.0237
100288	1.0348	1.0237

To implement these corrections, retroactively adjust claims for discharges on or after October 1, 2004, through December 31, 2004, using Table 2 above and input the corrected wage index in the special wage index field of the Provider Specific File (file position 155-160) and annotate the Special Wage Index indicator (file position 138).

Skilled Nursing Facilities (SNF) FY 2006 Wage Index Corrections (High Priority)

The following are corrections to two tables that were published in the FY 2006 SNF prospective payment system (PPS) final rule (70 FR 45026) on August 4, 2005. Most of the corrections are to CBSA and

transition wage index values, however, several typographical errors to other entries are highlighted here for clarity.

Table 8 -- FY 2006 Wage Index for Urban Areas Based on CBSA Labor Market Areas:

<u>CBSA Code</u>	<u>Urban Area (constituent counties)</u>	<u>Corrected Wage Index</u>
26420	Houston-Baytown-Sugar Land, TX	0.9996
31900	Mansfield, OH	0.9891
34980	Nashville-Davidson-Murfreesboro, TN	0.9790

Table A – FY 2006 SNF PPS Transition Wage Index Table:

The highlighted cells in the table below indicate changes from what was published in the final rule.

SSA State/ County Code	County name	MSA Number	MSA Urban/ Rural	2006 MSA-based WI	2006 CBSA-based WI	CBSA Number	CBSA Urban/ Rural	Transition Wage Index
01330	Geneva County, Alabama	01	Rural	0.7432	0.7721	20020	Urban	0.7577
04280	Hempstead County, Arkansas	04	Rural	0.7744	0.7466	99904	Rural	0.7605
11451	Fayette County, Georgia	0520	Urban	0.9793	0.9793	12060	Urban	0.9793
11840	Richmond County, Georgia	0600	Urban	0.9808	0.9748	12260	Urban	0.9778
16350	Fremont County, Iowa	16	Rural	0.8594	0.8509	99916	Rural	0.8552
27130	Fergus County, Montana	27	Rural	0.8762	0.8762	99927	Rural	0.8762
36710	Richland County, Ohio	4800	Urban	0.9891	0.9891	31900	Urban	0.9891
44070	Cannon County, Tennessee	44	Rural	0.7935	0.9790	34980	Urban	0.8863
44100	Cheatham County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44180	Davidson County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44210	Dickson County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44400	Hickman County, Tennessee	44	Rural	0.7935	0.9790	34980	Urban	0.8863
44550	Macon County, Tennessee	44	Rural	0.7935	0.9790	34980	Urban	0.8863

SSA State/ County Code	County name	MSA Number	MSA Urban/ Rural	2006 MSA-based WI	2006 CBSA-based WI	CBSA Number	CBSA Urban/ Rural	Transition Wage Index
44730	Robertson County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44740	Rutherford County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44790	Smith County, Tennessee	44	Rural	0.7935	0.9790	34980	Urban	0.8863
44820	Sumner County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44840	Trousdale County, Tennessee	44	Rural	0.7935	0.9790	34980	Urban	0.8863
44930	Williamson County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
44940	Wilson County, Tennessee	5360	Urban	0.9808	0.9790	34980	Urban	0.9799
45070	Austin County, Texas	45	Rural	0.7931	0.9996	26420	Urban	0.8964
45180	Brazoria County, Texas	1145	Urban	0.8563	0.9996	26420	Urban	0.9280
45280	Chambers County, Texas	3360	Urban	1.0091	0.9996	26420	Urban	1.0044
45341	Coryell County, Texas	3810	Urban	0.8526	0.8526	28660	Urban	0.8526
45530	Fort Bend County, Texas	3360	Urban	1.0091	0.9996	26420	Urban	1.0044
45550	Galveston County, Texas	2920	Urban	0.9635	0.9996	26420	Urban	0.9816
45610	Harris County, Texas	3360	Urban	1.0091	0.9996	26420	Urban	1.0044
45757	Liberty County, Texas	3360	Urban	1.0091	0.9996	26420	Urban	1.0044
45801	Montgomery County, Texas	3360	Urban	1.0091	0.9996	26420	Urban	1.0044
45884	San Jacinto County, Texas	45	Rural	0.7931	0.9996	26420	Urban	0.8964
45950	Waller County, Texas	3360	Urban	1.0091	0.9996	26420	Urban	1.0044

The transition wage index values will need to be updated and entered correctly by utilizing the special wage index field in the provider specific file. In addition, the SNF facility CBSA field on the provider specific file should be updated to include these corrections

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C H I r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
4205.1	The FI shall enter the appropriate corrected wage index value in the Special Wage Index field for Tables 4A, 4B and 4C.	X							
4205.1.1	The FI shall correct the wage index values by utilizing the special wage index fields in the provider specific file. If, for payment purposes, a provider is located in either of these CBSAs, enter a ‘1’ (or a ‘2’ if the provider is reclassified) in the Special Payment Indicator field (file position 138).	X							
4205.1.2	The FI shall enter the appropriate corrected wage index value in the Special Wage Index field (file position 155-160).	X							
4205.1.3	Using the same procedure as in requirements 4205.1.1 and 4205.1.2, the FI shall correct other providers who are not on our list, but who are located in the affected CBSAs.	X							
4205.2	The FI shall implement Table 2 corrections retroactively to adjust claims on or after October 1, 2004, through December 31, 2004.	X							
4205.3	The FI shall make the appropriate corrections to Table 8 and Table A.	X							

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4205.3.1	The FI shall update the transition wage index values by utilizing the special wage index field in the provider specific file.	X								
4205.3.2	The FI shall update the SNF facility CBSA field on the provider specific file to include all corrections.	X								

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	None.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 9, 2006 Implementation Date: January 9, 2006</p> <p>Pre-Implementation Contact(s): Brian Slater 410-786-5229</p> <p>Post-Implementation Contact(s): Wage Index Corrections contact: Brian Slater 410-786-5229 SNF questions contact: Jeanette Kranacs 410-786-9385</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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