

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 510

Department of Health &  
Human Services

Center for Medicare and &  
Medicaid Services

Date: MARCH 24, 2005

Change Request 3784

**SUBJECT: Update to Fiscal Year 2005 Pricer for IPPS Hospitals**

**I. SUMMARY OF CHANGES:**This transmittal seeks to announce changes to the 2005 IPPS Pricer based on corrections to the *Federal Register* published on December 30,2004.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE \* : April 01, 2005**

**IMPLEMENTATION DATE : April 04, 2005**

*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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N/A

**III. FUNDING:**

**No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.**

**IV. ATTACHMENTS:**

**Recurring Notification Form**

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

# Attachment – Recurring Update Notification

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**SUBJECT: Update to FY 2005 Pricer for IPPS Hospitals**

## I. GENERAL INFORMATION

**A. Background:** This change request (CR) outlines changes to the FY 2005 IPPS Pricer and updates information originally published in CR 3459. Specifically, this Pricer release contains changes to New Technology Payment logic, updated wage index tables, changes to DSH adjustment logic and an updated list of providers redesignated from urban to rural under CFR 412.103. All items covered in this instruction are effective on or after April 1, 2005, unless otherwise noted.

## B. Policy:

### **New Technology Add-On Payment:**

Effective for discharges on or after April 1, 2005, the logic for selecting cases for the add-on technology payment for the OP-1 Implant will change. Pricer will look for the presence of ICD-9-CM procedure codes 84.52, AND either 81.35 OR 81.38. The DRG must also be 497 or 498. The maximum add-on payment for OP-1 remains \$1,955.00.

### **Wage Index Tables:**

The Wage Index Tables loaded into Pricer now reflect the wage index changes published in the IPPS Correction Notice on December 30, 2004. The wage index changes are described in detail in CR 3672.

### **Disproportionate Share (DSH) Adjustment for Urban To Rural Providers:**

This Pricer release updates the list of providers (originally published in CR 3459) that are eligible for an urban to rural transition DSH adjustment. This list of providers hard-coded into Pricer now includes one additional provider: 44-0081.

### **Disproportionate Share (DSH) Adjustment for Rural Referral Center providers with PTYPE 15:**

Section 402 of the Medicare Modernization Act (Public Law 108-173) increased the DSH adjustment for rural hospitals and urban hospitals with fewer than 100 beds. Rural Referral Centers (RRC) are exempt from the twelve percent cap on the DSH adjustment. This release of Pricer adds PTYPE '15', MDH-RRC providers, to the RRC DSH logic which prevents RRCs from having their DSH adjustments capped at twelve percent. Since this provision was implemented during FY 2004, the effective date for this change is April 1, 2004.

### **Urban Providers reclassifying to rural areas under CFR 412.103 (Sec. 401 of P.L. 106-554):**

This Pricer release updates the list of urban providers re-designated as rural under CFR 412.103 and hard-coded into the Pricer logic. Previously this list included:

050192	050286	050446	050469	050528	050618	051301
070004	100048	100118	170137	190048	190110	230078
260006	290038	291301	300009	390181	380084	390106



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			
F I S S	M C S					V M S	C W F		
	Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.								

**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: IPPS Pricer**

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

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

## V. SCHEDULE, CONTACTS, AND FUNDING

<p><b>Effective Date*:</b> April 1, 2005</p> <p><b>Implementation Date:</b> April 4, 2005</p> <p><b>For questions about New Technology Policy contact:</b> Meredith Walz at <a href="mailto:mwalz@cms.hhs.gov">mwalz@cms.hhs.gov</a></p> <p>For questions about Wage Index Updates contact: Nora Kraemer at <a href="mailto:nkraemer@cms.hhs.gov">nkraemer@cms.hhs.gov</a></p> <p><b>For questions about DSH adjustments contact:</b> Molly Smith at <a href="mailto:msmith6@cms.hhs.gov">msmith6@cms.hhs.gov</a></p> <p><b>For questions about urban to rural redesignations please contact:</b> Linda McKenna at <a href="mailto:lmckenna@cms.hhs.gov">lmckenna@cms.hhs.gov</a></p> <p><b>For questions about Pricer software Contact:</b> Stuart Barranco at <a href="mailto:sbarranco@cms.hhs.gov">sbarranco@cms.hhs.gov</a></p> <p><b>Post-Implementation Contact(s):</b> Appropriate Regional Office</p>	<p><b>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</b></p>
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