



MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

MLN Matters Number: MM4397

Related Change Request (CR) #: 4397

Related CR Release Date: March 10, 2006

Effective Date: January 1, 2006

Related CR Transmittal #: R887CP

Implementation Date: March 13, 2006

Correction to Change Request 4282 - Application of Temporary Five Percent Payment Increase for Home Health Services Furnished in a Rural Area for One Year Under the Home Health Prospective Payment System (HH PPS)

Note: This article was revised to contain web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Providers billing Medicare Regional Home Health Intermediaries (RHHIs) for services provided in rural areas.

Provider Action Needed

This article is based on Change Request (CR) 4397, which adds a list of special wage index codes to the codes that identify HH PPS claims as rural. As directed by the Deficit Reduction Act (DRA, Section 5201), rural HH PPS claims receive a five percent (5%) add-on payment.

Background

The Deficit Reduction Act (DRA, Section 5201 (page 45), at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_reports&docid=f:hr362.109.pdf provides for a five percent payment increase for home health services furnished in a rural area with respect to episodes and visits beginning on or after January 1, 2006, and before January 1, 2007.

This rural add-on payment, along with other DRA-mandated changes, was initially implemented by the Centers for Medicare & Medicaid Services (CMS) in Change Request (CR) 4282 (Transmittal 211; dated February 10, 2006, at

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<http://www.cms.hhs.gov/Transmittals/Downloads/R211OTN.pdf> on the CMS website.

The MLN Matters article corresponding to CR4282 can be reviewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4282.pdf> on the CMS website.

The business requirements of CR4282 required Medicare systems to identify rural areas based on Core Based Statistical Area (CBSA) codes that begin with "999" and include a rural state code. While this criterion identifies rural areas for many states, it overlooks that certain rural areas were affected by the implementation of a blended wage index in calendar year 2006.

In 2006, certain rural areas, which would otherwise report a CBSA beginning with "999," are reporting special wage index codes beginning with "50."

Therefore, for purposes of implementing the DRA rural add-on payment, Medicare will recognize that "rural" includes all services furnished in any area that would be identified by a rural CBSA code if the 2006 blended wage index were not in effect.

The list of special wage index codes that are recognized as rural (for purposes of implementing the DRA add-on) can be found in the *Additional Information* section of this article as well as an attachment to CR4397.

CR4397 informs your RHHI to stop processing adjustments required by business requirement 4282.6 in CR4282 for providers billing the list of special wage index codes attached to CR 4397 as soon as possible but no later than five business days of receipt of CR4397.

After the new HH PPS Pricer is installed in their systems, your RHHI will:

- Resume processing of adjustments required by business requirement 4282.6 for providers billing the attached list of special wage index codes. (That requirement calls for RHHIs to adjust claims with "Through" dates on or after January 1, 2006, that were not processed with the Pricer containing the five-percent rural add-on.)
- Adjust any claims or adjustments for providers billing the list of special wage index codes that were processed in the period between the implementation of the Pricer required by CR4282 and the new Pricer required by CR4397.

Implementation

The implementation date is March 13, 2006.

Additional Information

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For complete details, please see the official instruction issued to your RHHI regarding this change, which can be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R887CP.pdf>.

For further questions, contact your RHHI at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

Table 1: List of Special Wage Index Codes Recognized as Rural for Purposes of Implementing the DRA Rural Add-On

Core Based Statistical Area (CBSA)	SPECIAL CODE	STATE	Core Based Statistical Area (CBSA)	SPECIAL CODE	STATE
99901	50001	Alabama	99933	50248	New York
99901	50281	Alabama	99933	50313	New York
99901	50214	Alabama	99933	50164	New York
99903	50007	Arizona	99934	50092	North Carolina
99903	50260	Arizona	99934	50192	North Carolina
99910	50016	Florida	99934	50234	North Carolina
99910	50210	Florida	99936	50100	Ohio
99911	50020	Georgia	99936	50199	Ohio
99911	50272	Georgia	99936	50263	Ohio
99914	50031	Illinois	99936	50352	Ohio
99914	50314	Illinois	99936	50275	Ohio
99915	50225	Indiana	99937	50104	Oklahoma
99915	50036	Indiana	99937	50218	Oklahoma
99915	50257	Indiana	99937	50293	Oklahoma
99915	50268	Indiana	99939	50108	Pennsylvania
99918	50054	Kentucky	99939	50326	Pennsylvania
99918	50243	Kentucky	99939	50250	Pennsylvania
99918	50262	Kentucky	99942	50114	South Carolina
99919	50256	Louisiana	99942	50237	South Carolina
99919	50060	Louisiana	99944	50121	Tennessee
99919	50286	Louisiana	99944	50255	Tennessee
99919	50329	Louisiana	99945	50125	Texas
99923	50067	Michigan	99945	50266	Texas
99923	50231	Michigan	99945	50206	Texas
99923	50170	Michigan	99945	50226	Texas
99923	50316	Michigan	99946	50140	Utah
99929	50087	Nevada	99946	50222	Utah
99929	50261	Nevada	99949	50145	Virginia
99932	50089	New Mexico	99949	50344	Virginia
99932	50325	New Mexico	99950	50152	Washington

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99933	50091	New York	99950	50327	Washington
99933	50336	New York			

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