
Program Memorandum Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal A-00-75

Date: OCTOBER 13, 2000

CHANGE REQUEST 1399

SUBJECT: Corrections to Calculation of Inpatient Payment Amounts

Further testing of the Inpatient PPS PRICER has identified minor problems with the software that have affected some payments calculated using the Capital Hospital Specific Rate and/or wage indexes for certain areas for inpatient bills with dates of discharge after September 30, 2000.

Users of the APASS standard system need not make these adjustments since the corrected PRICER software was installed in the APASS system on October 4, 2000.

Users of the FISS system should continue to pay inpatient hospital claims with discharge dates after September 30, 2000 and dates of receipt before October 14, 2000. These claims should be adjusted as soon as possible after installation of the new PRICER software, which we expect will occur by October 30, 2000. Claims with discharge dates after September 30, 2000 and dates of receipt after October 13, 2000, should be held until the new software is installed and then released for processing. RHHIs should place priority on the processing of Requests for Anticipated Payments for HHAs.

After the new PRICER software is installed, users of the FISS system must adjust previously processed bills with discharge dates after September 30, 2000, for providers classified as fully prospective for capital (type C) that have a Cost Report start date other than 10/1/00. The corrected update factor is coded in the new PRICER software as 1.0147. Users of the FISS system with providers in MSA 0240, .9925, Allentown, PA; MSA 3040, .9330, Great Falls, MT; MSA 3760, .9509, Kansas City, KS-MO; MSA 3040, .9330, Great Falls, MT; MSA 3720, 1.0291, Kalamazoo, MI; MSA 3760, .9509, Kansas City, KS-MO and MSA 5660, 1.0317, Newburgh, NY must also adjust previously processed bills with discharge dates after September 30, 2000. The corrected wage indexes are shown next to the MSAs above and are also in the new PRICER software.

You should post this notice on your web site, advise your provider relation's staff and include a notice of these changes in your next bulletin.

The effective date for this Program Memorandum (PM) is 10/1/00.

The implementation date for this PM is October 13, 2000

These instructions should be implemented within your current operating budget.

This PM may be discarded after September 30, 2001.

Contact person for this PM is Stu Barranco on (410) 786-6152.