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# Program Memorandum

## Intermediaries

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Department of Health &  
Human Services (DHHS)  
Centers For Medicare &  
Medicaid Services

Transmittal A-02-109

Date OCTOBER 25, 2002

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### CHANGE REQUEST 2325

**SUBJECT: Cost Based Payment for Certified Registered Nurse Anesthetists (CRNA) Services Furnished by Outpatient Prospective Payment System (OPPS) Hospitals**

#### Background

Currently the outpatient services of CRNAs furnished by hospitals subject to OPSS that qualify for cost based payment under 42 CFR 412.113(c) are made through biweekly interim payments subject to retrospective adjustments based on a settled cost report.

#### New Procedures

The purpose of this Program Memorandum (PM) is to provide instructions that will allow these small rural hospitals that qualify for cost-based CRNA services to bill and be properly paid for these services.

In order for interim payments to be made to these hospitals based on submitted claims, a number of changes are required in the reporting and acceptance of revenue code 964 "Anesthetists (CRNA)." They are as follows:

- Hospitals that qualify for cost based CRNA services must report these services under revenue code 964;
- Standard system maintainers are required to make system changes to accept revenue code 964 on bill type 13X for these hospitals; and
- Reporting and acceptance of revenue code 964 for other OPSS hospitals (without a CRNA pass-through exemption) may not be allowed.

**NOTE:** Value code 05 "Professional Component Included In Charges and Also Billed Separately To Carrier," should not be reported with revenue code 964.

The OPSS Outpatient Code Editor (OCE) will assign a service indicator of "F" to revenue code 964 for the April 2003 OPSS OCE release. This change to the OCE will allow for cost-based payment for revenue code 964.

Effective for claims with dates of service on or after April 1, 2003, pay a cost-based interim payment (charges times the hospital's outpatient interim rate) for the revenue code 964 charge on the claim, and assume in calculating the interim payment that coinsurance is billed by the hospital to the beneficiary in the amount of 20 percent of the submitted charges. In addition, adjust the hospital's biweekly payment amount for cost paid services to exclude any amounts attributable to outpatient hospital CRNA services from all future biweekly payments to the hospital.

Instruct your hospitals **not** to bill Healthcare Common Procedure Coding System (HCPCS) when billing for CRNA services. Also, instruct your hospitals to bill their beneficiaries for coinsurance for cost based CRNA services billed under revenue code 964. Coinsurance is based on 20 percent of charges. The Part B deductible is applicable.

Provider Notification

Post a notice on your Web site regarding this information and include it in your next regularly scheduled bulletin. If you have electronic bulletin boards or listserv that are used to communicate with your provider community, post this message to your providers using that facility.

**The *effective date* for this PM is for claims with dates of service on or after April 1, 2003.**

**The *implementation date* for this notice is April 1, 2003.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after April 1, 2004.**

**If you have any questions, contact the appropriate regional office.**