
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 88

Date: JUNE 10, 2004

CHANGE REQUEST 3342

I. SUMMARY OF CHANGES: No manual changes are associated with this One-Time Notification. This Change Request (CR) replaces CR 3084.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2004

***IMPLEMENTATION DATE: July 6, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N\A	

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

Or

Funding is available through the regular budget process for costs required for implementation.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

One-Time Notification

Pub. 100-20	Transmittal: 88	Date: June 10, 2004	Change Request 3342
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SUBJECT: Clarification and Revision of Change Request (CR) 3084, Implementation of Section 508(f) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173)

I. GENERAL INFORMATION

A. Background: This One-Time Notification (OTN) clarifies and revises CR 3084, which implemented Section 508(f) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Public Law 108-173).

B. Policy: Under Section 152(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA) (Public Law 106-113), Congress reclassified hospitals in certain counties for purposes of payment under the hospital inpatient prospective payment system for discharges occurring during FY 2000. Section 152(b) also applies these reclassifications for FY 2001. Subsequently, Section 304 of the Medicare, Medicaid, and SCHIP Benefits Improvement Protection Act of 2000 (Public Law 106-554) added Section 1886(d)(10)(D)(v) of the Social Security Act (the Act) to provide that wage index reclassifications shall be effective for 3 years. As a result, the reclassifications enacted by the BBRA expired on September 30, 2003.

The following hospital reclassifications in Table 1 are affected. Other hospitals in other areas were included in Section 152 of the BBRA, however, those hospitals were successfully reclassified by the Medicare Geographic Classification Review Board for FY 2004 into the area to which they were reclassified by Section 152.

Table 1

Provider Number	Actual MSA	Current Wage Index MSA Reclassification	New Wage Index MSA Reclassification
330126	5660	0875	5600
330135	5660	0875	5600
330205	5660	0875	5600
330264	5660	0875	5600
450072	1145	---	3360
470003	1303	---	1123

NOTE: Providers 330001 and 330209 were previously identified for this list. However, they are not on the list since provider 330001 has merged with provider 330126, and provider 330209 has merged with provider 330264.

Hospitals not listed in Table 1 that were previously (on or after October 1, 2003) reclassified to MSA 5600 are entitled to be paid based on a wage index of 1.4018. According to the latest provider specific file (PSF) data, these providers are listed in Table 2:

Table 2

Provider Number	Provider Number	Provider Number
070006	310002	310119
070015	310003	330027
070018	310038	330106
070033	310045	330181
070034	310070	330182
310001	310076	

Hospitals not listed in Table 1 that were previously (on or after October 1, 2003) reclassified to MSA 1123 are entitled to be paid based on a wage index of 1.1233. According to the latest PSF data, these providers are listed in Table 3:

Table 3

Provider Number	Provider Number	Provider Number
200020	410005	410011
300003	410006	410012
300005	410007	410013
300019	410008	470011
410001	410009	470018
410004	410010	

Because the inpatient and outpatient PRICERs released in April 2004 paid all providers reclassified to MSA 5600 a wage index of 1.3892, and all providers reclassified to MSA 1123 a wage index of 1.1120, fiscal intermediaries (FIs) must reprocess claims from the hospitals listed in Tables 2 and Table 3 that were: 1) previously reclassified to either MSA 5600 or MSA 1123, and 2) paid using the incorrect lower wage index. No action is necessary for providers in MSA 0875 or MSA 3920 since they have been correctly paid.

For purposes of making payments under Section 508(f) of MMA, and for hospitals in Lafayette, IN (to reflect a correction to the wage data for that area), the wage indexes in Table 4 are effective with discharges occurring on or after January 1, 2004, and before October 1, 2004, for inpatient claims and with dates of service on or after January 1, 2004, and before January 1, 2005, for outpatient claims. The wage index for MSA 3360 does not change as a result of the reclassification of provider 450072. The wage indexes in Table 4 apply only to the other five hospitals listed in Table 1.

Table 4

MSA	New Wage Index	New geographic adjustment factor (GAF)
0875 Bergen-Passaic, NJ	1.1767	1.1179
1123 Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH (attached area only)	1.1120	1.0754
3920 Lafayette, IN	0.9036	0.9329
5600 New York, NY (attached area only)	1.3892	1.2525

C. Provider Education: A provider education article related to this instruction will be available at <http://www.cms.hhs.gov/medlearn/matters> shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. 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.”

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3342.1	The Shared System Maintainer shall implement the late June Inpatient PRICER with corrected wage index data.	SSM
3342.2	The Fiscal Intermediary shall reprocess claims from the affected providers.	FI
3342.3	The Fiscal Intermediary shall notify the affected hospitals of the changes.	FI

III. SUPPORTING INFORMATION & 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

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: January 1, 2004</p> <p>Implementation Date: July 6, 2004</p> <p>Contact: Stuart Barranco, (410) 786-6152</p>	<p>These instructions should be implemented within your current operating budget.</p>
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