Program Memorandum Intermediaries	Department of Health & Human Services (DHHS) Centers for Medicare & Medicaid Services (CMS)
Transmittal A-02-110	Date: OCTOBER 25, 2002

SUBJECT: Financially Required Changes for the Fiscal Intermediary Standard System (FISS) Paid Claim File

The purpose of this Program Memorandum (PM) is to: (1) re-define the existing mileage rate field for the ambulance fee schedule for cost reporting purposes; and (2) record the date of adjustments in the FISS Paid Claim File in order to improve the reconciliation of sequential transactions for functions including auditing. The changes both FISS and the Arkansas Part A Standard System (APASS) make to comply with this PM must continue to coordinate with the FISS Paid Claim File, consistent with a standing CMS requirement that both systems map to this file when changes affect the Provider Statistical and Reimbursement (PS&R) system supporting cost reporting.

(1) Re-define the existing mileage rate field for the ambulance fee schedule for cost reporting purposes

For claims paid under the ambulance fee schedule on or after April 1, 2002, both standard systems must change the current mileage rate field so that it is populated with the <u>calculated rate</u>, rather than the <u>unit rate</u> now found in that field. Cost settlement of these ambulance claims cannot be effected without the presence of this information.

The current name of this field varies in the two standard systems:

- APASS rate field name is:CLM:C-44-REVENUE-RATE

- FISS record is FSSCPDCL-REV-SERV-RATE

(The mileage rate field that these fields map to is located on page 3 of the FISS online screens and page 2 of the FISS direct data entry screen.)

EXAMPLE:

A provider submits ground mileage under HCPCS code: A0425 (ground mileage per statute mile). In this example, the provider-submitted number of total rural ground miles is 65 as shown below. The urban rate, found in the HCPCS file as the 60 percent rate, is 5.00, while the rural rate, found in the HCPCS file as 62 percent rate, is also 5.00. Note that if the rural rate is to be applied, the zip code will have an "R" in the 15th position of the CMS-supplied zip code file. The Benefits Improvement and Protection Act of 2000 required that the first 17 miles of ground transportation be paid using the urban ground mileage factor of 1.50, that miles 18-50 (33 miles in total) be paid using the urban ground mileage factor of 1.25, and that miles above 50 be paid without using an additional

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factor. These payment factors are also discussed in PM AB-01-165, reflecting the higher payment allowed in the calculation of rural miles. So for the 65 miles submitted:

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$$17 \times 1.50\ (5.00) = 127.50$$
$$33 \times 1.25\ (5.00) = 206.25$$
$$15 \times \quad\ \ (5.00) = \ \ 75.00$$

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Total rural ground miles: 65 $ 408.75 - total rural ground mileage fee

In the above example, the amount $408.75 should be populated in the mileage rate field.

FISS will make a program available within the April, 2003 release, which will reset the mileage rate field on paid claims containing ambulance services on an on-going basis. This program should be executed within the FISS financial processing prior to the function that builds the paid claim file that will subsequently be input to the PS&R processing. The logic used to create this program is shown in the **Ambulance Mileage Rate Fee Field Correction Utility Logic** section below. Corresponding changes to HIGLAS will also be necessary. The program to reset the mileage rate field (available in PS&R release 28.2) will be made available to the FISS maintainer by the PS&R workgroup who developed this program to repair the field while awaiting the April, 2003 FISS release.   APASS PS&R processors will continue to execute this program (after installing PS&R release 28.2) at the place after the APASS paid claims are converted to FISS format prior to the PS&R processing. No APASS claims software changes will be necessary.

This will ensure that all claims paid under the ambulance fee schedule contain the information needed for cost settlement.   Since the mileage rate field on ambulance services is being altered, it will also be necessary for CMS to provide documentation to the provider community stating that ambulance services with service "From" dates starting April 1, 2002 may contain rate information within the PS&R reporting that may differ from the rate information reflected on the FISS and APASS claim screens for process dates less than April 1, 2003.

Ambulance Mileage Rate Fee Field Correction Utility Logic

Open Files
Read Claim File
DOUNTIL no more claim records
 If claim's "From Date" greater than 20020331
  Access first revenue line
  DOUNTIL No More Revenue Lines (Rev Code = 0001)
   If revenue code = 0540*
   And HCPCS = A0425 or A0435 or A0436
    Determine effective Transition Blend Pct Cost and Fee**
    Imputed Cost = Transition Blend Pct Cost x Covered Charges x Pvdr Reimb Rate
    Fee Portion of Blend = (Fee Amt – Imputed Cost) / Transition Blend Pct Fee
    Move Fee Portion of Blend to Rev Rate on Revenue Line
   Endif
   Access next revenue line
  ENDDO
 Endif
 Write claim record

     Read next claim record
ENDDO
Close Files
Done

*The CMS Transmittal AB-01-185 continued the earlier requirement that ambulance claims be submitted using only revenue code 0540, not 0541, 0542, etc. Edits were also required in this PM for the standard systems to enforce that only revenue code 0540 be processed on ambulance claims in fiscal intermediary claims systems.

** In order to determine effective Transition Blend Pct Cost and Fee:

If claim's "From Date" 20020401 to 20021231
    Transition Blend Pct Cost = .80
    Transition Blend Pct Fee = .20
Else
If claim's "From Date" 20030101 to 20031231
    Transition Blend Pct Cost = .60
    Transition Blend Pct Fee = .40
Endif

Notes on Utility Logic:

▪ These technical specs were written under the assumption that the FISS software would be updated for CMS Change Request 2291 in 2003. If this doesn't occur in 2003, additional logic would need to be added to determine the blend percentage cost and fee for 2004 too.

(2) Record the date of adjustments in the Paid Claim File in order to improve the reconciliation of sequential debit-credit transactions.

The reconciliation of debit-credit adjustments to either original, or previously adjusted, claims is a manually researched, time-consuming process, often required in auditing cost reports and answering provider questions on payment. This process has become more complex with the implementation of several legislatively mandated payment systems. In order to make the reconciliation process more automated and less labor-intensive, a field must be added to the paid claim record containing the process date of any previous adjustment made to a claim, so that pairs of debit-credit transactions can be easily recognized.

The name of this new field must refer to the fact the field contains the date of the previous debit or credit transaction for a given claim. The process date of the original claim/transaction would be the first date to fill the field once an initial adjustment was received, and the field would be updated with the process date of each subsequent debit or credit adjustment/transaction with each new adjustment received. For example, on a credit adjustment/claim, this field would be filled with the process date of the previous debit now being credited by the current adjustment.

The creation of the new field can be accommodated without an expansion of the current FISS or APASS paid claims files. Both APASS and FISS systems must change to employ this new field.

The *effective date* for this PM is April 1, 2002.

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

The instructions contained in this PM should be implemented within your current operating budget.

This PM may be discarded after April 1, 2004.

If you have any business function questions, contact Edward Tregoe (410-786-6827).

If you have any programming/technical questions, please contact Mike O'Leary (410-786-6432).