

Program Memorandum Intermediaries/Carriers

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

Transmittal AB-03-140

Date: SEPTEMBER 12, 2003

CHANGE REQUEST 2896

**SUBJECT: 2004 Healthcare Common Procedure Coding System (HCPCS) Annual Update
Reminder**

I. GENERAL INFORMATION

A. Background:

Medicare providers submitting claims to Medicare contractors for Part B services use a HCPCS code to indicate the service that was provided. HCPCS consist of Level I codes, which are the American Medical Association's (AMA's) Current Physician Terminology Codes (CPT-4) and Level II codes which are alpha-numeric and maintained by CMS. The updated HCPCS file is released annually to Medicare contractors via the CMS's mainframe telecommunications system.

B. Policy:

This Program Memorandum (PM) is our annual reminder that the 2004 HCPCS file and its print file will be made available via the CMS's mainframe telecommunications system. The file may be retrieved after 8:00p.m., eastern standard time, on October 15, 2003.

The paper documentation which consists of a cover memorandum, HCPCS tape characteristics and record layout, and transaction list printouts will be sent to you via U.S. Postal Service priority mail. The alpha-numeric index and the table of drugs will be posted on the CMS Web site by October 29, 2003.

The Web site address is <http://www.cms.hhs.gov/providers/pufdownload/default.asp#alphanu>

Effective for January 1, 2004, the AMA has established some new Category II codes that end with the letter "F". These codes will be used by the AMA to track performance measurement. The codes (approximately 11 codes at this time) will be added to the 2004 Medicare Physician Fee Schedule Database as noncovered services. These codes will also be included in the 2004 HCPCS file that is released on October 15, 2003 for contractors to download.

II. BUSINESS REQUIREMENTS

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

Requirement #	Requirements	Responsibility
2896.1	Medicare contractors shall download the 2004 annual HCPCS update from the CMS mainframe which will be available after 8:00p.m., eastern standard time on October 15, 2003.	FI /Carrier/ DMERC
2896.2	The new 2004 HCPCS update is effective for dates of service on or after January 1, 2004.	FI /Carrier/ DMERC

2896.3	Medicare contractors shall apply the 3-month grace period for applicable discontinued codes. The grace period applies to claims received prior to April 1, 2004, which contain the 2003 discontinued codes for dates of service January 1, 2004 through March 31, 2004.	FI/Carrier/ DMERC
2896.4	Contractors shall accept both 2003 discontinued codes and valid 2004 codes from physicians, suppliers and providers during the January 2004 –March 2004 grace period.	FI/Carrier DMERC
2896.5	Contractors should remind providers of the grace period for the annual HCPCS update no later than 45 days prior to the implementation date. Update your Web site with information regarding the grace period and place a reminder in your next regularly scheduled bulletin.	FI /Carrier/ DMERC

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Req. #	Instructions
	N/A

B. Design Considerations:

X-Ref Req. #	Recommendation for Medicare System Requirements
	N/A

C. Interfaces: The January 2004 Outpatient Code Editor (OCE) will contain both the 2003 discontinued codes and the new 2004 codes. The next OCE release in 2004 will contain only the 2004 codes.

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

IV. Attachment(s): Instructions for Retrieval of the 2004 HCPCS Via the CMS Mainframe

Implementation Date: January 1, 2004	Effective Date: January 1, 2004
Discard Date: January 1, 2005	Funding: These instructions should be implemented within your current operating budget.
Post-Implementation Contact: Appropriate regional office	

ATTACHMENT

Instructions for the Retrieval of the 2004 HCPCS via CMS's Mainframe Telecommunications System (Formerly Network Data Mover)

Listed below are the most common problems encountered when carriers/ intermediaries receive data via the mainframe telecommunications system:

- o Receipt was performed in interactive mode, rather than in batch. If transmission is performed interactively, it is impossible for the Division of Data Systems (DDS) to access the log to verify the transmission success/failure.
- o Omission or change of NEWNAME parameter. Omission of this parameter makes it extremely difficult and cumbersome for DDS to access the log to verify transmission success/failure. Make sure that the NEWNAME parameter equals HCPCS.
- o Omission or change of START parameter. This parameter establishes the starting time for the batch job. As stated earlier, transmission must occur during the evening hours. Setting the START to 20:00:00 hours assures that transmission will not commence prior to 8:00 p.m. eastern standard time.

NOTE: In order not to incur additional transmission line cost, transmission must occur during the evening hours, specifically after 8:00 p.m., eastern standard time.

The following is the JCL required for setting up a mainframe telecommunications system transmission of the 2004 HCPCS file from the CMS's Data Center.

```
*****
//UID#HCPC JOB (ACCTNG),NAME,MSGCLASS=A,CLASS=C,
//  MSGLEVEL=(1,1)
//DMBATCH EXEC PGM=DMBATCH,REGION=512K,PARM=(YYSLYNN)
//DMPUBLIB DD DSN= NDM.PROCESS.LIBRARY,DISP=SHR
//DMMSGFIL DD DSN= NDM.MESSAGE.LIBRARY,DISP=SHR
//DMNETMAP DD DSN= NDM.NETWORK.MAP,DISP=SHR
//DMPRINT DD SYSOUT=*
//NDMCMDS DD SYSOUT=*
//SYSUDUMP DD SYSOUT=*
//SYSPRINT DD SYSOUT=*
//SYSIN DD *
SIGNON USERID=(NDM USERID) -
        NODE= NDM NODE ID -
        NETMAP= NDM NETWORK MAP
SUBMIT DSN= PROCESS LIBRARY MEMBER -
        STARTT=(,20:00:00) -
        NEWNAME=HCPCS
SIGNOFF
/*
//
```

Prior to submitting this job, please supply the following parameters particular to your job site:

UID#	= Your system User ID
ACCTNG	= Accounting Information, if applicable
NAME	= Programmer's Name
NDM.PROCESS.LIBRARY	= NDM Process Library for your system
NDM.MESSAGE.LIBRARY	= NDM Message Library for your system
NDM.NETWORK.MAP	= NDM Network Map File for your system
NDM USERID	= NDM User ID for your system
NDM NODE	= NDM Node ID for your system
PROCESS LIBRARY MEMBER	= Member where the code for the NDM COPY (see below) is stored

Place the following code in your process library. This code will be executed from within the mainframe telecommunications system to perform the copying of the 2004 HCPCS data from a file at the CMS's Data Center to a file at your processing site.

```

HCPCS PROCESS  PNODE= NDM NODE -
                SNODE=NDM.HCFA -
                SNODEID=(TWXX, PASSWD) -
                PACCT= 'ACCTNG' -
                &DSN= DATASET NAME

```

```

STEP01 COPY -
  FROM -
    (DSN=CMS FILE
    DISP=SHR -
    SNODE) -
  TO -
    (DSN=&DSN -
    DISP=(,CATLG,DELETE) -
    UNIT=UNIT ID -
    PNODE)

```

Supply the following parameters particular to your job site:

NDM NODE	= NDM Node ID for your system
TWXX	= NDM User ID for CMS's system
PASSWD	= Password to access NDM at CMS
ACCTNG	= Accounting Information (if required)
DATASET NAME	= File to receive CMS data transmission
CMS FILE	= P@HCP.@AAA2360.HCPC2004.CONTR (This is the 2004 HCPCS file comprised of procedure and modifier codes.)
	= P@HCP.@AAA2360.HCPC2004.PRINT (This is the Print file of the 2004 HCPCS; a utility may be used to produce a printed copy of the HCPCS.)
UNIT ID	= Unit Identifier for your system