

Related Change Request (CR) #: 3784

Medlearn Matters Number: MM3784

Related CR Release Date: March 24, 2005

Related CR Transmittal #: 510

Effective Date: April 1, 2005

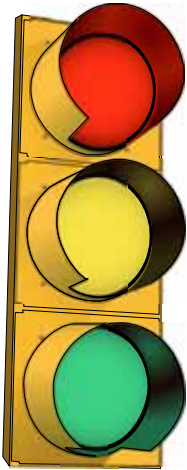
Implementation Date: April 4, 2005

## *Update to Fiscal Year (FY) 2005 Pricer for Inpatient Prospective Payment System (IPPS) Hospitals*

### Provider Types Affected

Providers billing Medicare fiscal intermediaries for services paid under the IPPS

### Provider Action Needed



#### **STOP – Impact to You**

This instruction includes information from Change Request (CR) 3784 that announces changes to the 2005 Inpatient Prospective Payment System (IPPS) Pricer.

#### **CAUTION – What You Need to Know**

CR 3784 is based on corrections to the Federal Register published on December 30, 2004, and it itemizes changes in the April, 2005, release of the IPPS Pricer software based on the December 30, 2004 correction notice to the Federal Register.

#### **GO – What You Need to Do**

Please see the Background and Additional Information Sections of this instruction for further details regarding this update.

### Background

Change Request (CR) 3784 includes changes to the FY 2005 Inpatient Prospective Payment System (IPPS) Pricer and updates information originally published in CR 3459. Specifically, this Pricer release contains the following:

#### *New Technology Add-On Payment*

Effective for discharges on or after April 1, 2005, the logic for selecting cases for the add-on technology payment for the OP-1 Implant will change. Pricer will look for the presence of International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) procedure codes 84.52, AND either 81.35 OR

#### Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

81.38. The Diagnostic Related Group (DRG) must also be 497 or 498. The maximum add-on payment for the bone growth factor Osteogenic Protein-1 (OP-1) remains \$1,955.00.

*Wage Index Tables*

The Wage Index Tables loaded into Pricer now reflect the wage index changes published in the IPPS Correction Notice on December 30, 2004. The wage index changes are described in detail in CR 3672, Transmittal 422, and dated December 30, 2004. Please see:

[http://www.cms.hhs.gov/manuals/pm\\_trans/R422CP.pdf](http://www.cms.hhs.gov/manuals/pm_trans/R422CP.pdf)

*Disproportionate Share (DSH) Adjustment for Urban to Rural Providers*

This Pricer release updates the list of providers (originally published in CR 3459) that are eligible for an urban to rural transition DSH adjustment and the list now includes one additional provider: 44-0081.

*Disproportionate Share Hospital (DSH) Adjustment for Rural Referral Center (RRC) providers with PTYPE 15*

The Medicare Modernization Act (Section 402, Public Law 108-173) increased the DSH adjustment for rural hospitals and urban hospitals with fewer than 100 beds. RRCs are exempt from the 12 percent cap on the DSH adjustment.

This release of Pricer adds PTYPE '15', MDH-RRC providers, to the RRC DSH logic that prevents RRCs from having their DSH adjustments capped at twelve percent. Since this provision was implemented during FY 2004, the effective date for this change is April 1, 2004.

**Urban Providers reclassifying to rural areas under the Code of Federal Regulations (CFR) 412.103 (Sec. 401 of P.L. 106-554)**

This Pricer release updates the list of urban providers re-designated as rural under CFR 412. Previously, this list included:

050192	050286	050446	050469	050528	050618	051301
070004	100048	100118	170137	190048	190110	230078
260006	290038	291301	300009	390181	380084	390106

Currently, Pricer now has the following providers listed as urban to rural designations:

030007	040075	050192	050469	050528	050618	070004	100048	100134
130018	140167	150051	150078	170137	190048	230078	240037	260006
260122	300009	370054	380040	380084	390181	390183	390201	450052
450078	450243	450276	450348	500023	500037	500122	500147	500148

**Disclaimer**

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

## Implementation

The implementation date for this instruction is April 4, 2005.

## Additional Information

Change Request (CR) 3459, Transmittal 309, dated October 1, 2004, subject: Fiscal Year (FY) 2005 Inpatient Prospective Payment System (IPPS), Long Term Care Hospital (LTCH) and Other Bill Processing Changes Related to the IPPS Final Rule can be reviewed at:

[http://www.cms.hhs.gov/manuals/pm\\_trans/R309CP.pdf](http://www.cms.hhs.gov/manuals/pm_trans/R309CP.pdf)

For complete details of CR 3784, on which this article is based, please see the official instruction issued to your intermediary regarding this change. That instruction may be viewed at:

[http://www.cms.hhs.gov/manuals/transmittals/comm\\_date\\_dsc.asp](http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp)

From that web page, look for CR 3784 in the CR NUM column on the right, and click on the file for that CR.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

### Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.