

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11339	Date: April 7, 2022
	Change Request 12636

SUBJECT: Payment for Critical Access Hospitals (CAHs) Ancillary Services Submitted on 12X Type of Bill (TOB) Claim

I. SUMMARY OF CHANGES: This change request instructs contractors to allow for CAH ancillary services at reasonable cost. The CAH ancillary service(s) TOB 12x should include the appropriate revenue codes. For facility services, not including physician or other practitioner services, payment will be based on 101 percent of the reasonable costs of the services. The only services for CAHs where the physician has reassigned their benefits are based off the MPFS services, on TOB 85x with the appropriate HCPCS code and revenue codes of 096x, 097x or 098x.

EFFECTIVE DATE: October 1, 2022 - Unless otherwise specified, the effective date is for claims processed on or after CR implementation.

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: October 3, 2022

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

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

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

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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EFFECTIVE DATE: October 1, 2022 - Unless otherwise specified, the effective date is for claims processed on or after CR implementation.

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I. GENERAL INFORMATION

A. Background: Medicare allows for ancillary services when provided in a CAH. CAH ancillary services are submitted on a TOB 12X and based on 101 percent of reasonable costs like TOB 85x, excluding professional services that are separately billable by the performing clinician. It has been brought to CMS' attention when a CAH submits a TOB 12x no-reimbursement is being made for all ancillary services which have a pricing indicator 'B'.

This change request instructs contractors to allow for CAH ancillary services at reasonable cost when appropriate. The CAH ancillary service(s) TOB 12x should include the appropriate revenue codes. For facility services, not including physician or other practitioner services, payment will be based on 101 percent of the reasonable costs of the services. Services are paid based on the Medicare Physician Fee Schedule only when the physician or other practitioner has reassigned their benefits, and should be billed on TOB 85x with the appropriate Healthcare Common Procedure Coding System (HCPCS) code and revenue codes of 096x, 097x or 098x.

B. Policy: There are no regulatory, legislative or statutory requirements related to this CR.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared-System Maintainers				Other	
		A	B	H		F	M	V	C		
12636.1	Contractors shall pay for CAHs ancillary Part B services, including services with pricing indicator 'B' based on 101 percent of the reasonable cost when submitted on a 12X TOB. NOTE: The reimbursement method for (CAH) TOB 12x with the acceptable valid revenue codes should follow the same reimbursement method of 101 percent	X					X				

	of the reasonable cost as CAH Method I. This does not apply to Indian Health Service (IHS) CAH or CAH METHOD II professional reimbursement.									
12636.2	Medicare contractors should not search their files to retroactively pay claims. However, contractors shall adjust claims brought to their attention.	X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H	M A C	
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Kajol Balani, 410-786-8078 or Kajol.Balani@cms.hhs.gov , William Ruiz, 410-786-9283 or william.ruiz@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0