

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11346	Date: April 7, 2022
	Change Request 12662

SUBJECT: Updates For Medical Severity Diagnosis Related Groups (MS-DRG) Subject to Inpatient Prospective Payment System (IPPS) Replaced Devices Offered Without Cost or With a Credit Policy-Fiscal Years (FYs) 2021-2022

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to implement the following updates to the list of DRGs subject to the IPPS payment policy for the reimbursement of replaced devices offered without cost or with a credit, effective for discharges on or after 10/01/2020:

- Add MS-DRGs 140,141,142, 521, and 522,
- Terminate MS-DRGs 129 and 130 .

EFFECTIVE DATE: October 1, 2020

**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

Pub. 100-20	Transmittal: 11346	Date: April 7, 2022	Change Request: 12662
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SUBJECT: Updates For Medical Severity Diagnosis Related Groups (MS-DRG) Subject to Inpatient Prospective Payment System (IPPS) Replaced Devices Offered Without Cost or With a Credit Policy- Fiscal Years (FYs) 2021-2022

EFFECTIVE DATE: October 1, 2020

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

IMPLEMENTATION DATE: October 3, 2022

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) reduces a hospital's IPPS payment for specified MS-DRGs, when the implantation of a device is replaced without cost or with a credit equal to 50 percent or more of the cost of the replacement device. New MS-DRGs are added to the list, subject to the IPPS payment policy for replaced devices offered without cost or with a credit, when they are formed from procedures assigned to MS-DRGs that were previously on the list. For Fiscal Year (FY) 2021, MS-DRGs 129 and 130 are terminated, and MS-DRGs 140, 141, 142, 521 and 522 are being added to the IPPS payment policy for replaced devices offered without cost or with a credit.

B. Policy: The following are added to the list of MS-DRGs subject to the policy for reducing payment for replaced devices offered without cost or with a credit:

- 140- Major Head and Neck Procedures with Major Complications or Comorbidities (MCC)
- 141- Major Head and Neck Procedures with Complications or Comorbidities (CC)
- 142- Major Head and Neck Procedures without MCC/CC
- 521- Hip Replacement with Principal Diagnosis of Hip Fracture with MCC
- 522- Hip Replacement with Principal Diagnosis of Hip Fracture without MCC

The following MS-DRGs are terminated from the policy:

- 129- Major Head and Neck Procedures with CC/MCC or Major Device
- 130- Major Head and Neck Procedures without CC/MCC

The attachment displays the complete list of MS-DRGs subject to this payment policy.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
12662.1	The Medicare contractor shall make the following modifications to current edits and systems processes for replaced devices offered without cost or with a credit, effective for discharges on or after 10/01/2020: <ul style="list-style-type: none"> Add MS-DRGs 140, 141, 142, 521 and 522, Terminate MS-DRGs 129 and 130. 					X				
12662.2	Medicare contractors shall begin adjusting claims with the following criteria by October 30, 2022: <ul style="list-style-type: none"> Type of Bill (TOB) - 11X Provider range - XX0001-XX0999 Discharge date on or after October 1, 2020 through the implementation of this CR. Reimbursement greater than zero MS-DRGs 140, 141, 142, 521 & 522 Value code (VC) - FD AND A DOLLAR AMOUNT Condition code (CC) - 49 OR 50 	X								
12662.3	The Medicare contractor shall implement an annual recurring process to update the list of MS-DRGs subject to the editing and payment policy for replaced devices offered without cost or with a credit.					X				
12662.3.1	The Medicare contractor shall estimate the recurring hours and post them in the estimates attachment section of eChimp no later than 07/31/2022.					X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E M A C	C E D I	
		A	B	H H H			
12662.4	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the	X					

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
	CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.					

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): Yvette Rivas, yvette.rivas@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: 1

FY 2021-2022 MS-DRG Table for Replaced Devices
Update to list of MS-DRGS which involve replaced devices offered without cost or with a credit

2008	2014	2015	2020	2021	2022	EFFECT DATE	TERM DATE
MS-DRG	MS-DRG	MS-DRG	MS-DRG	MS-DRG	MS-DRG		
001	001	001	001	001	001	10/01/08	
002	002	002	002	002	002	10/01/08	
023	023	023	023	023	023	10/01/08	
024	024	024	024	024	024	10/01/08	
025	025	025	025	025	025	10/01/08	
026	026	026	026	026	026	10/01/08	
027	027	027	027	027	027	10/01/08	
040	040	040	040	040	040	10/01/08	
041	041	041	041	041	041	10/01/08	
042	042	042	042	042	042	10/01/08	
129	129	129	129	-	-	10/01/08	<i>09/30/20</i>
130	130	130	130	-	-	10/01/08	<i>09/30/20</i>
-	-	-	-	<i>140</i>	<i>140</i>	<i>10/01/20</i>	
-	-	-	-	<i>141</i>	<i>141</i>	<i>10/01/20</i>	
-	-	-	-	<i>142</i>	<i>142</i>	<i>10/01/20</i>	
215	215	215	215	215	215	10/01/08	
216	216	216	216	216	216	10/01/08	
217	217	217	217	217	217	10/01/08	
218	218	218	218	218	218	10/01/08	
219	219	219	219	219	219	10/01/08	
220	220	220	220	220	220	10/01/08	
221	221	221	221	221	221	10/01/08	
222	222	222	222	222	222	10/01/08	
223	223	223	223	223	223	10/01/08	
224	224	224	224	224	224	10/01/08	
225	225	225	225	225	225	10/01/08	
226	226	226	226	226	226	10/01/08	
227	227	227	227	227	227	10/01/08	
237	237	-	-	-	-	10/01/08	09/30/14
238	238	-	-	-	-	10/01/08	09/30/14
242	242	242	242	242	242	10/01/08	
243	243	243	243	243	243	10/01/08	
244	244	244	244	244	244	10/01/08	
245	245	245	245	245	245	10/01/08	

FY 2021-2022 MS-DRG Table for Replaced Devices
Update to list of MS-DRGS which involve replaced devices offered without cost or with a credit

2008	2014	2015	2020	2021	2022	EFFECT DATE	TERM DATE
MS-DRG	MS-DRG	MS-DRG	MS-DRG	MS-DRG	MS-DRG		
258	258	258	258	258	258	10/01/08	
259	259	259	259	259	259	10/01/08	
260	260	260	260	260	260	10/01/08	
261	261	261	261	261	261	10/01/08	
262	262	262	262	262	262	10/01/08	
265	265	265	265	265	265	10/01/08	
-	266	266	266	266	266	10/01/14	
-	267	267	267	267	267	10/01/14	
-	-	268	268	268	268	10/01/15	
-	-	269	269	269	269	10/01/15	
-	-	270	270	270	270	10/01/15	
-	-	271	271	271	271	10/01/15	
-	-	272	272	272	272	10/01/15	
-	-	-	319	319	319	10/01/19	
-	-	-	320	320	320	10/01/19	
461	461	461	461	461	461	10/01/08	
462	462	462	462	462	462	10/01/08	
466	466	466	466	466	466	10/01/08	
467	467	467	467	467	467	10/01/08	
468	468	468	468	468	468	10/01/08	
469	469	469	469	469	469	10/01/08	
470	470	470	470	470	470	10/01/08	
-	-	-	-	521	521	10/01/20	
-	-	-	-	522	522	10/01/20	