

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 11857</b>	<b>Date: February 10, 2023</b>
	<b>Change Request 12210</b>

**SUBJECT: User Enhancement Change Request (UECR): ViPS Medicare System (VMS) – Process Change for ZIP Code Price Method of the Quarterly ZIP Code Update**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to develop a process with the Quarterly ZIP Code load, like the load process for Drug Pricing (APPL/C) file, where the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) can indicate the Pricing Period where the Pricing Methods on ZIP Code file are to be loaded. With the altered load process, the DME MACs will be able to keep the Pricing Periods in the VMAP/4Z table and APPL/C in sync so that drug claims do not reimburse at the wrong amount. The DME MACs will have the ability to pinpoint the pricing period in which to populate the Pricing Methods on the file.

**EFFECTIVE DATE: July 1, 2023**

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

**IMPLEMENTATION DATE: July 3, 2023**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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: 11857	Date: February 10, 2023	Change Request: 12210
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**SUBJECT: User Enhancement Change Request (UECR): ViPS Medicare System (VMS) – Process Change for ZIP Code Price Method of the Quarterly ZIP Code Update**

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## I. GENERAL INFORMATION

**A. Background:** In 2016 under CR 9501 – Implementation of the Part B Drug Payment Model (Phase 1), the creation of the 24 Price Method fields on the VMAP/4Z table were established. Executing the VIPSRZPC job to load the ZIP code file rolls the information in the Price Method fields and creates the report “ZP3001 ZIP Code PRICE METHOD ROLL AND UPDATE REPORT”. The information within the specifications for CR 9501 indicates the Pricing Periods within APPL/C for Average Sales Price (ASP) and the Pricing Periods for the VMAP/4Z need to stay in sync. The APPL/C system was modified to allow the DME MACs to specify the pricing period where files are to be loaded. The VMAP/4Z does not have that modification.

As a result, the VMAP/4Z pricing periods roll every time the VIPSRZPC is run and the VMAP/4Z and APPL/C pricing periods are no longer in sync. While all drugs were being priced off Price Method A, this was not an issue. However, with the recent change in files to use a different Price Method the DME MACs took notice of the Pricing Methods not being in sync. The DME MACs also noted that this issue occurs when two files are to be loaded for the same pricing period, example the fourth quarter ZIP Code file in October of the year and another file for December of that year to handle year end close out. Both of those files are to be loaded to the same pricing period but under current programming when the December file is loaded, the pricing periods are rolled.

There is also an issue if a revised or corrected file is received and must be loaded. Having the Pricing Periods out of sync between the VMAP/4Z table and APPL/C could result in paying drug claims at the wrong reimbursement amount. The DME MACs had to reach out to General Dynamics Information Technology (GDIT) and the Virtual Data Center (VDC) for assistance on how to back out files that were loaded in order to get corrected files loaded without getting the pricing periods out of alignment. We would like GDIT to develop a process with the ZIP Code load, like the load process for APPL/C, where the DME MACs can indicate the Pricing Period where the Pricing Methods on ZIP Code file are to be loaded.

With the altered load process, the DME MACs will be able to keep the Pricing Periods in the VMAP/4Z table and APPL/C in sync so that drug claims do not reimburse at the wrong amount. The DME MACs will have the ability to pinpoint the pricing period in which to populate the Pricing Methods on the file. This will allow the DME MACs to load multiple files to the same pricing period for instances where there are revised files or files are pulled without having to approach GDIT and the VDC for assistance on backing out information. When backing out files, we must identify the backup files to be used for the restoration, request the VDC restore the system to the specified backup and then run the file in. By altering the load process to allow to load to designated pricing period, the steps to identify the backup files and request the VDC restore the system to said backup file are taken out. With the removal of those two steps, the only step remaining is to have the VDC run in the file.

**B. Policy:** This CR does not update policy.

**II. BUSINESS REQUIREMENTS TABLE**

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

Number	Requirement	Responsibility									
		A/B MAC			DME MAC	Shared-System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
12210.1	The contractor shall modify the VIPSRZPC load process to allow the DME MAC to request either a roll of the Pricing Method on the VMAP/4Z table or to designate the Pricing Period to be used to update the Pricing Method associated with the Pricing Period on the VMAP/4Z table.							X			
12210.2	The Contractor shall modify the “ZP3001 ZIP CODE PRICE METHOD ROLL AND UPDATE REPORT” to capture information on Pricing Periods and Pricing Methods based on file load.							X			

**III. PROVIDER EDUCATION TABLE**

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	H H H		
	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):** Kay Curry, 410-786-1801 or Kay.Curry@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**