

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 4477</b>	<b>Date: December 13, 2019</b>
	<b>Change Request 11583</b>

**SUBJECT: Update Inpatient Prospective Payment System (IPPS) Pricer and Related Claims Reprocessing**

**I. SUMMARY OF CHANGES:** The purpose of this change request is to update the fiscal year 2020 Inpatient Prospective Payment System Pricer with a corrected version of the wage index table and to provide direction to reprocess claims affected by the incorrect version.

**EFFECTIVE DATE: October 1, 2019**

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

**IMPLEMENTATION DATE: January 6, 2020**

*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	

**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:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 4477	Date: December 13, 2019	Change Request: 11583
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## I. GENERAL INFORMATION

**A. Background:** On October 7, 2019, CMS issued CR 11361 (effective on October 1, 2019) which contained the release of the FY 2020 IPPS Pricer. The wage index table released to the Fiscal Intermediary Shared System (FISS) with the FY 2020 IPPS Pricer inadvertently contained errors in the reclassified wage index of 27 Core-Based Statistical Areas (CBSAs). This Change Request (CR) is releasing to the FISS a revised version of the FY 2020 IPPS Pricer containing a corrected version of the wage index table.

This CR includes an Excel file (Attachment 1), the section titled Core-Based Statistical Areas (CBSAs) Affected List contains the 27 CBSAs with the original (incorrect) wage index and the corrected wage index for informational purposes. The second section contains a list of 84 hospitals that are reclassified to the affected CBSAs in the first section and have been paid incorrectly for discharges occurring on and after October 1, 2019. Separate instructions will address the incorrect payments to affected hospitals for discharges occurring on and after October 1, 2019.

Upon release and implementation of the revised FY 2020 IPPS Pricer in January 2020, the Medicare Administrative Contractors (MACs) shall revise any Provider Specific File (PSF) record with an effective date on or after October 1, 2019 by entering a blank in data elements 33 and 38 as the revised FY 2020 IPPS Pricer will now calculate the correct wage index for these 84 providers. MACs shall ensure that all claims for discharges occurring on or after October 1, 2019 processed before and after issuance of this CR are paid with the correct wage index. Specifically, for these 84 hospitals MACs shall ensure that PSF records with an effective date on or after October 1, 2019 until the date of the release and implementation of the revised FY 2020 IPPS Pricer follow the instructions of MAC Implementation 5 released with CR 11361 (rather than using data elements 33 and 38).

**Note: MACs shall not use a "1" or "2" in data element 33 and a wage index value in data element 38 for the 84 providers listed in Attachment 1 after the release and implementation of the revised FY 2020 IPPS Pricer without seeking approval from CMS as directed in CR 11361.**

In addition, for certain hospitals the outmigration values passed to FY 2019 and FY 2020 IPPS Pricers were inadvertently omitted from the calculation of the hospital's wage index in the release on October 7, 2019 in CR 11361 (effective on October 1, 2019). This will be corrected in the January 2020 release and implementation of the IPPS Pricer. Separate instructions will be issued to address reprocessing of any hospitals' affected FY 2019 and FY 2020 claims.

**B. Policy:** This change request contains no new 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	Shared-System Maintainers				Other
		A	B	H H H		F M V C	I C M W	S S S F		
11583.1	Medicare contractors shall install and pay claims with the revised FY 2020 IPPS Pricer for discharges on or after October 1, 2019.					X				
11583.2	Medicare contractors shall update all relevant portions of the PSF in accordance with this CR.	X								
11583.3	For the 84 hospitals listed in attachment 1 of this CR upon release and implementation of the revised FY 2020 IPPS Pricer in January 2020, MACs shall revise any PSF record with an effective date on or after October 1, 2019 through the release and implementation of the revised FY 2020 IPPS Pricer by entering a blank in data elements 33 and 38 as Pricer will now determine the correct wage index for the 84 hospitals.	X								
11583.4	MACs shall ensure that all claims for discharges occurring on or after October 1, 2019 processed before and after issuance of this CR are paid with the correct wage index.  <i>Note: MACs shall not use a “1” or “2” in data element 33 and a wage index value in data element 38 for the 84 providers listed in Attachment 1 after the release and implementation of the revised FY 2020 IPPS Pricer without seeking approval from CMS.</i>	X								

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E	C	I
		A	B	H H H			
11583.5	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or	X					

Number	Requirement	Responsibility				
		A/B MAC			D M E D I	C M E D I
		A	B	H H H		
	newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.					

**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):** Michele Hudson, michele.hudson@cms.hhs.gov , Michael Treitel, michael.treitel@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**

**Core-Based Statistical Areas (CBSAs) Affected List**

<b>CBSA</b>	<b>CBSA Name</b>	<b>Incorrect Reclassified Wage Index (Currently in PRICER)</b>	<b>Corrected Reclassified Wage Index</b>	<b>Difference</b>
13140	Beaumont-Port Arthur, TX	0.8512	0.8282	-0.023
14740	Bremerton-Silverdale, WA	1.1115	1.0420	-0.0695
15540	Burlington-South Burlington, VT	0.9917	0.9705	-0.0212
16540	Chambersburg-Waynesboro, PA	1.1005	1.0831	-0.0174
16740	Charlotte-Concord-Gastonia, NC-SC	0.9401	0.9187	-0.0214
16940	Cheyenne, WY	0.9293	0.9062	-0.0231
18140	Columbus, OH	0.9359	0.9149	-0.021
19340	Davenport-Moline-Rock Island, IA-IL	0.9047	0.8832	-0.0215
23540	Gainesville, FL	0.9171	0.8887	-0.0284
27140	Jackson, MS	0.8004	0.7762	-0.0242
29340	Lake Charles, LA	0.7641	0.7534	-0.0107
29740	Las Cruces, NM	0.9028	0.8648	-0.038
31340	Lynchburg, VA	0.8616	0.8494	-0.0122
31540	Madison, WI	1.0565	1.0436	-0.0129
33540	Missoula, MT	0.9271	0.9009	-0.0262
33740	Monroe, LA	0.7873	0.7760	-0.0113
34740	Muskegon, MI	0.9401	0.9169	-0.0232
35840	North Port-Sarasota-Bradenton, FL	0.9205	0.8912	-0.0293
36140	Ocean City, NJ	1.0956	1.0549	-0.0407
36740	Orlando-Kissimmee-Sanford, FL	0.8733	0.8577	-0.0156
38340	Pittsfield, MA	1.1057	1.0660	-0.0397
38940	Port St. Lucie, FL	0.9087	0.8900	-0.0187
39140	Prescott, AZ	0.9799	0.9641	-0.0158
39740	Reading, PA	1.0070	0.9754	-0.0316
40340	Rochester, MN	1.0635	1.0341	-0.0294
42140	Santa Fe, NM	1.0692	0.9198	-0.1494
49340	Worcester, MA-CT	1.1672	1.1567	-0.0105

**For Information Only; Not to Be Inserted into the PSF.  
See the tab labeled "Providers Needing Correction" for  
the value to be inserted into the PSF.**

**Providers Needing Correction List**

<b>CCN</b>	<b>MAC Number</b>	<b>Reclassified CBSA</b>	<b>FY 2020 Incorrect WI</b>	<b>FY 2020 Corrected WI</b>	<b>Difference</b>
040088	07001	33740	0.8165	0.8109	-0.0056
080007	12001	36140	1.0956	1.0549	-0.0407
100014	09001	36740	0.8733	0.8577	-0.0156
100017	09001	36740	0.8733	0.8577	-0.0156
100045	09001	36740	0.8733	0.8577	-0.0156
100062	09001	23540	0.9171	0.8887	-0.0284
100068	09001	36740	0.8733	0.8577	-0.0156
100072	09001	36740	0.8733	0.8577	-0.0156
100077	05901	35840	0.9205	0.8912	-0.0293
100105	09001	38940	0.9087	0.8900	-0.0187
100157	09001	35840	0.9205	0.8912	-0.0293
100212	05901	23540	0.9171	0.8887	-0.0284
100217	05901	38940	0.9087	0.8900	-0.0187
100236	05901	35840	0.9205	0.8912	-0.0293
100252	05901	38940	0.9087	0.8900	-0.0187
100290	09001	36740	0.8733	0.8577	-0.0156
100322	09001	23540	0.9171	0.8887	-0.0284
140040	05901	19340	0.9047	0.8832	-0.0215
140043	06101	19340	0.9047	0.8832	-0.0215
140064	05901	19340	0.9047	0.8832	-0.0215
160080	05001	19340	0.9047	0.8832	-0.0215
190027	04011	13140	0.8512	0.8370	-0.0142
190053	07001	29340	0.8049	0.7996	-0.0053
190060	05901	13140	0.8512	0.8370	-0.0142
230003	08001	34740	0.9401	0.9169	-0.0232
230038	06001	34740	0.9401	0.9169	-0.0232
230059	06001	34740	0.9401	0.9169	-0.0232
230072	08001	34741	0.9401	0.9169	-0.0232
230174	08001	34740	0.9401	0.9169	-0.0232
230303	08001	34740	0.9401	0.9169	-0.0232
250031	07001	27140	0.8231	0.8110	-0.0121
250057	07001	27140	0.8231	0.8110	-0.0121
250060	07001	27140	0.8231	0.8110	-0.0121
250078	07001	27140	0.8231	0.8110	-0.0121
250082	07001	27140	0.8231	0.8110	-0.0121
250094	07001	27140	0.8231	0.8110	-0.0121
250097	07001	27140	0.8231	0.8110	-0.0121
250099	07001	27140	0.8231	0.8110	-0.0121
280061	05001	16940	0.9293	0.9062	-0.0231
320001	04011	42140	1.0692	0.9198	-0.1494
320003	05901	42140	1.0692	0.9198	-0.1494
320009	04011	42140	1.0692	0.9198	-0.1494
320011	04011	42140	1.0692	0.9198	-0.1494

320017	04011	42140	1.0692	0.9198	-0.1494
320021	04011	42140	1.0692	0.9198	-0.1494
320033	04011	42140	1.0692	0.9198	-0.1494
320074	04011	42140	1.0692	0.9198	-0.1494
330079	13001	15540	0.9917	0.9705	-0.0212
330094	13001	38340	1.1057	1.0660	-0.0397
330250	13001	15540	0.9917	0.9705	-0.0212
340013	11501	16740	0.9401	0.9187	-0.0214
340021	11501	16740	0.9401	0.9187	-0.0214
340084	11501	16740	0.9401	0.9187	-0.0214
340116	04011	16740	0.9401	0.9187	-0.0214
340123	11501	16740	0.9401	0.9187	-0.0214
340143	11501	16740	0.9401	0.9187	-0.0214
360011	15201	18140	0.9359	0.9149	-0.0210
360014	15201	18140	0.9359	0.9149	-0.0210
360039	15201	18140	0.9359	0.9149	-0.0210
360109	15201	18140	0.9359	0.9149	-0.0210
360118	15201	18140	0.9359	0.9149	-0.0210
360159	15201	18140	0.9359	0.9149	-0.0210
360197	15101	18140	0.9359	0.9149	-0.0210
390030	12001	39740	1.0070	0.9754	-0.0316
390031	12001	39740	1.0070	0.9754	-0.0316
390065	12001	16540	1.1005	1.0831	-0.0174
390183	12001	39740	1.0070	0.9754	-0.0316
39B006	12001	39740	1.0070	0.9754	-0.0316
410009	14011	49340	1.1672	1.1567	-0.0105
420007	11001	16740	0.9401	0.9187	-0.0214
420010	05901	16740	0.9401	0.9187	-0.0214
420083	11001	16740	0.9401	0.9187	-0.0214
450107	04011	29740	0.9028	0.8648	-0.0380
450573	04011	13140	0.8512	0.8370	-0.0142
470012	14011	38340	1.1057	1.0660	-0.0397
490013	11301	31340	0.8616	0.8494	-0.0122
500072	02001	14740	1.1115	1.0420	-0.0695
520004	06001	40340	1.0635	1.0341	-0.0294
520038	06001	31540	1.0565	1.0436	-0.0129
520057	06001	31540	1.0565	1.0436	-0.0129
520087	06001	40340	1.0635	1.0341	-0.0294
520095	06001	31540	1.0565	1.0436	-0.0129
520100	06001	31540	1.0565	1.0436	-0.0129
520208	06001	31540	1.0565	1.0436	-0.0129