

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1067	Date: SEPTEMBER 25, 2006
	Change Request 5276

NOTE: The attached information is no longer sensitive. This instruction may be communicated to the public and posted on your website as early as today, October 5, 2006. The Transmittal Number, issue date and all other information will remain the same.

SUBJECT: Fiscal Year (FY) 2007 Inpatient Prospective Payment System (IPPS), Long Term Care Hospital (LTCH) PPS, and Inpatient Psychiatric Facility (IPF) PPS Changes

I. SUMMARY OF CHANGES: This change request announces changes to the IPPS and LTCH PPS payment policies based on the FY 07 IPPS Final Rule. It also includes the ICD-9-CM coding changes that affect the IPF PPS comorbidity adjustment.

NEW / REVISED MATERIAL

EFFECTIVE DATE: October 1, 2006

IMPLEMENTATION DATE: October 2, 2006

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	

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Recurring Update Notification

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

Attachment – Recurring Update Notification

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I. GENERAL INFORMATION

A. Background: This change request (CR) outlines changes for IPPS hospitals for FY 2007. The policy changes for FY 2007 appeared in the **Federal Register** on August 18, 2006. The final IPPS rates will be available on the CMS website prior to October 1, 2006. All items covered in this instruction are effective for hospital discharges occurring on or after October 1, 2006, unless otherwise noted.

This CR also addresses new GROUPER and diagnosis-related group (DRG) changes that are effective October 1, 2006 for hospitals paid under the IPPS, as well as under LTCH PPS. LTCH PPS rate changes occurred on July 1, 2006. Please refer to Transmittal 981, CR 5202, published on June 15, 2006, for LTCH policy changes. IPF PPS is affected only by the ICD-9-CM changes that affect the comorbidity adjustment effective October 1, 2006. Rate changes occurred on July 1, 2006. Please refer to Transmittal 978, CR 5129, published on June 9, 2006.

B. Policy:

ICD-9-CM Changes

ICD-9-CM coding changes are effective October 1, 2006. The new ICD-9-CM codes are listed, along with their DRG classifications in Tables 6a and 6b of the August 18, 2006, **Federal Register**. The ICD-9-CM codes that have been replaced by expanded codes or other codes, or have been deleted are included in Tables 6c and 6d. The revised code titles are in Tables 6e and 6f.

GROUPER 24.0 assigns each case into a DRG on the basis of the diagnosis and procedure codes and demographic information (that is age, sex, and discharge status) and is effective with discharges occurring on or after October 1, 2006. The Medicare Code Editor (MCE) 23.0 uses the new ICD-9-CM codes to validate coding for discharges on or after October 1, 2006.

Furnished Software Changes

The following software programs were issued for FY 2007:

A. IPPS PRICER 07.0 for discharges occurring on or after October 1, 2006. The IPPS Pricer 07.0 processes bills with discharge dates on or after October 1, 2002. These rates are being announced in a notice that will be available on the CMS website prior to October 1, 2006.

1. Rates

Standardized Amount Update Factor	1.034 1.014 (for hospitals that do not submit quality data)
Hospital Specific Update Factor	1.034 1.014 (for hospitals that do not submit quality data)
Common Fixed Loss Cost Outlier Threshold	\$24,485.00
Federal Capital Rate	\$427.03
Puerto Rico Capital Rate	\$203.03
Outlier Offset-Operating National	0.948968
Outlier Offset-Operating Puerto Rico	0.967303
Outlier Offset-Operating National PR blend	0.953551
IME Formula	$1.32 * [(1 + \text{resident-to-bed ratio})^{**}.405 - 1]$
MDH/SCH Budget Neutrality Factor	0.997395

Operating Rates:

RATES with Wage Index Greater than 1 & Full Market Basket

	Labor Share	Non Labor Share
National (NTL)	3397.52	1476.97
Puerto Rico (PR)	1436.12	880.20
Natl/PR (NPR)	3397.52	1476.97

RATES with Wage Index Less than 1 & Full Market Basket

	LS	NLS
NTL	3022.18	1852.31
PR	1359.68	956.64
NPR	3022.18	1852.31

RATES with Wage Index Greater than 1 & Reduced Market Basket

	LS	NLS
NTL	3331.80	1448.40
PR	1408.34	863.18
NPR	3331.80	1448.40

RATES with Wage Index Less than 1 & Reduced Market Basket

	LS	NLS
NTL	2963.73	1816.48
PR	1333.38	938.14
NPR	2963.73	1816.48

The revised hospital wage indices and geographic adjustment factors will be contained in Tables 4a (urban areas), 4b (rural areas) and 4c (redesignated hospitals) in a notice announcing the Final FY 2007 IPPS rates that will be available on the CMS website prior to October 1, 2006.

2. Postacute Care Transfer Policy

On October 1, 1998, CMS established a postacute care transfer policy which paid as transfers all cases which assigned to one of 10 DRGs if the patient was discharged to a psychiatric hospital or unit, an inpatient rehabilitation hospital or unit, a long term care hospital, a children's hospital, a cancer hospital, a skilled nursing facility, or a home health agency. As of October 1, 2004, that list was expanded to 29 DRGs. As of October 1, 2005, the list was again expanded.

Effective October 1, 2006, the following DRGs are added to the post acute care transfer list: 398, 399, 562, 563, 565, 566, 567, 568, 569, 570, 572, 573, 575, 576, 578, and 579.

The following DRGs are deleted from the list: 20, 24, 25, 148, 154, 415, 416, and 475.

3. New Technology Add-On Payment

Effective for discharges on or after October 1, 2006, there is one "new" new technology add-on payment, X STOP Interspinous Process Decompression System, in addition to GORE TAG and Restore Rechargeable Implantable Neurostimulator, which were effective October 1, 2005. Kinetra® is no longer included. Under 42 CFR 412.88 of the regulations, an add-on payment is made for discharges involving approved new technologies, if the total covered costs of the discharge exceed the DRG payment for the case (including adjustments for indirect medical education, disproportionate share, transfers, etc., but excluding outlier payments.) Pricer will calculate the total covered costs for this purpose by applying the operating cost-to-charge ratio (that is used for inpatient outlier purposes) to the total covered costs of the discharge. Payment for the eligible cases will be equal to:

--The DRG payment, plus

--The lesser of

50 percent of the costs of the new medical service or technology; or

50 percent of the amount by which the total covered costs (as determined above) of the case exceed the DRG payment; plus

--Any applicable outlier payments if the costs of the case exceed the DRG, plus adjustments for IME and DSH, and any approved new technology payment for the case plus the fixed loss outlier threshold. The costs of the new technology are included in the determination of whether a case qualifies for outliers.

In order to pay the add-on technology payment for the Restore Rechargeable Implantable Neurostimulator, Pricer will look for the presence of ICD-9-CM procedure code, 86.98. The maximum add-on payment for the neurostimulator is \$9,320.00.

In order to pay the add-on technology payment for GORE TAG, Pricer will look for the presence of ICD-9-CM procedure code 39.73. The maximum add-on payment for GORE TAG is \$10,599.00.

In order to pay the add-on technology payment for X STOP, Pricer will look for the presence of ICD-9-CM procedure code 84.58. The maximum add-on payment is \$4,400.00.

It is possible to have multiple new technologies on the same claim. Should multiple new technologies be present, Pricer will calculate each separately and then total the new technology payments. The total is in the field labeled "PPS-New-Tech-Payment-Add-On" returned from Pricer.

4. Medicare Dependent Hospital (MDH) Changes

Section 5003(a) of the Deficit Reduction Act (DRA) of 2005 (Pub. L. 109-171) provided for an extension of the MDH special payment methodology for discharges occurring on or after October 1, 2006, and before October 1, 2011. Based on this section of the DRA, Non Rural Referral Center (RRC) MDHs (Provider Type 14) are relieved of the 12% cap on DSH payments. Previously, only RRC MDHs (Provider Type 15) were relieved of the 12% cap on DSH payments.

Additionally, MDHs have the option to rebase their hospital specific rates to their FY 2002 cost report (cost report beginning on or after 10/1/2001 and on or before 9/30/2002) if this FY 2002 hospital-specific rate results in a payment increase. FI's must use FY 2002 cost report data to recalculate the Hospital Specific amount (HSP) for all MDHs. In those cases where no payment increase results from using the FY 2002 hospital-specific rate, a provider would continue to be paid the higher of the FY 1982 or FY 1987 HSP rate. If an FI uses the old HSP from the Provider Specific File to compare to the 2002 cost report data, that old HSP amount must be updated by 1.05500519, which represents adjustments of 1.034, the 2001 update factor and .997174, the 2001 budget neutrality factor and 1.0275, the 2002 update factor and .995821, the 2002 budget neutrality factor. If the FY 2002 cost report data amount is used, this HSP amount must then be updated to FY 2007 dollars by applying an update factor of 1.16937383, which represents adjustments of 1.0295, the 2003 update factor and .993111, the 2003 budget neutrality factor and 1.034, the 2004 update factor and 1.002608, the 2004 budget neutrality factor and 1.033, the 2005 update factor and .999876, the 2005 budget neutrality and 1.037, the 2006 update factor and .998993, the 2006 budget neutrality factor and 1.034, the 2007 update factor and .997395, the 2007 budget neutrality to the HSP before entering this final amount in the PSF with an effective date of 10/1/06. PRICER will make future updates to the HSP again beginning in FY 2008 and beyond. Please see table below.

MDHs will also receive a 75% differential add-on to the federal payment for FY 07. Currently, MDHs receive 50% of the difference between their HSP rate and the federal rate (assuming the HSP rate exceeds the federal rate).

5. Sole Community Hospital (SCH) Changes

FI's must also update the Hospital Specific amount (HSP) for all SCHs. The HSP must be updated from FY 2000 dollars to FY 2007 dollars by applying an update factor of 1.233973509, which represents all the update and budget neutrality factors listed in MDH, section 4 above, to the HSP before entering this final amount in the PSF with an effective date of 10/1/06. PRICER will make future updates to the HSP again beginning in FY 2008 and beyond.

Year	Market Basket	Budget neutrality
2001	1.034	0.997174
2002	1.0275	0.995821

2003	1.0295	0.993111
2004	1.034	1.002608
2005	1.033	0.999876
2006	1.037	0.998993
2007	1.034	0.997395
2000-2007 use:	1.233973509	
2002-2007 use:	1.169637383	

B. GROUPER 24.0 for discharges occurring on or after October 1, 2006. PRICER calls the appropriate GROUPER based on discharge date. Medicare contractors should have received the GROUPER documentation on or about August 1, 2006.

C. MCE 23.0 for discharges occurring on or after October 1, 2006. The MCE selects the proper internal tables based on discharge date. Medicare contractors should have received the MCE documentation on or about August 1, 2006.

D. Provider Specific File (PSF)

PSF required fields for all provider types which require a PSF can be found in the Medicare Claims Processing Manual, Pub. 100-04, Chapter 3, Section 20.2.3.1 and Addendum.

Update the provider IPPS (PROV) file for each hospital as needed, and update the following fields for IPPS hospitals effective October 1, 2006 or effective with the cost reporting period that begins on or after October 1, 2006, or upon receipt of an as-filed (tentatively) settled cost report.

- Residents/beds ratio;
- Hospital beds;
- Operating cost-to-charge ratio;
- Fiscal year beginning date;
- Pass through amounts (for non-PPS and new hospitals);
- SSI ratio
- Medicaid ratio;
- Update the Special Payment Indicator (if applicable);
- If a hospital has been reclassified for FY 2007, update the wage index CBSA;
- Old capital hold-harmless rate;
- New capital hold-harmless rate;
- Capital cost-to-charge ratio;
- New hospital indicator: Overlay the "Y" with a blank if the period is more than two years after the provider accepted its first patient;
- Capital indirect medical education ratio; and
- Capital exception payment rate (as applicable).
- Effective date (this field is required at a minimum every October to maintain the functionality of the PSFs maintained by CMS.);
- Temporary Relief Indicator for "low volume" hospital (see 2 below);
- Enter "1" in the Hospital Quality Indicator field if applicable;
- Case Mix Index Adjusted Cost per Discharge (for MDH/SCH changes).

Tables 8a and 8b of section VI of the addendum to the PPS final rule contain the FY 2007 Statewide average operating and capital cost-to-charge ratios, respectively, for urban and rural hospitals for calculation of cost outlier payments when the FI is unable to compute a reasonable hospital-specific cost-to-charge ratio (CCR). The operating CCR threshold is 1.26 and the capital threshold is 0.154.

1. CBSA Designations

Attachment A shows the IPPS providers that will be receiving a "special" wage index for FY 2007 (i.e., are "hold-harmless", are reclassified under section 508 of the MMA, receive a "special exception" under 1886(d)(5)(I)(i), or receive an out-commuting adjustment under section 505 of the MMA).

For any provider with a Special Wage Index from FY 2006, FIs shall remove that special wage index, unless they receive a new special wage index as listed in Attachment A.

NOTE: In Attachment A, some special wages indices change mid-year (April 1, 2007). The PSF will need to be updated at that time with the April 1, 2007 wage index listed in Attachment A. We plan to send a Joint Signature Memorandum (JSM) reminding contractors to update the special wage index field in March 2007.

2. Low Volume Hospitals

FIs shall enter a "Y" in position 74 (Temporary Relief Indicator) if the hospital is considered "low volume".

Hospitals considered low volume shall receive a 25% bonus to the operating final payment. To be considered "low volume" the hospital must have fewer than 200 discharges and be located at least 25 road miles from another hospital. The discharges are determined from the latest cost report. Hospitals shall notify FIs if they believe they are a low volume hospital.

The Low Volume hospital status should be re-determined at the start of the federal fiscal year. The most recent filing of a provider cost report can be used to make the determination. If the hospital is no longer low volume, the 'Y' indicator should be removed. If the hospital does meet the low volume criteria, a 'Y' should be inserted into the low volume indicator field.

3. Hospital Quality Initiative

FIs shall enter a "1" in file position 139 (Hospital Quality Indicator) for each hospital that meets the criteria for higher payments per MMA Quality standards. Leave blank if they don't meet the criteria.

The hospitals that will receive the quality initiative bonus are listed at the following website: www.qualitynet.org. This website is expected to be updated during September 2006.

Attachment B includes the list of providers that did not meet the criteria for FY 07. Should a provider later be determined to have met the criteria after publication of this list, they will be added to the website and FIs must update the provider file as needed.

For new hospitals, FIs shall enter a 1 in the PSF and provide information to the Quality Improvement Organization (QIO) as soon as possible so that the QIO can enter the provider information into the Program Resource System and follow through with ensuring provider participation with the requirements for quality data reporting. This allows the QIOs the opportunity to contact new facilities earlier in the fiscal year to inform them of the Hospital Quality Initiative.

FIs must provide this information monthly to the QIO in the State in which the hospital has opened. It should include the following:

- State Code
- Provider Name
- Provider ID number
- Medicare Accept Date
- Contact Name (if available)
- Telephone Number

E. Other Changes

Capital PPS Payment for Providers Redesignated under Section 1886(d)(8)(B) of the Act

42 CFR 412.64(b)(II)(D)(3) implements section 1886(d)(8)(B) of the Act, which redesignates certain rural counties (commonly referred to as “Lugar counties”) adjacent to one or more urban areas as urban for the purposes of payment under the IPPS. Accordingly hospitals located in these “Lugar counties” (commonly referred to as “Lugar hospitals”) are deemed to be located in an urban area and receive the Federal payment amount for the urban area to which they are redesignated. Currently, there are 98 qualifying “Lugar counties” (August 11, 2004; 69 FR 49056 - 49059), effective for discharges occurring on or after October 1, 2004. Under the capital PPS, the standard Federal rate is adjusted to reflect the higher costs incurred by hospitals located in large urban areas (large urban add-on at §412.316), as well as for hospitals in urban areas with at least 100 beds serving low-income patients (capital DSH adjustment at §412.320). In the August 11, 2004, Hospital Inpatient PPS final rule (69 FR 49250), effective for discharges occurring on or after October 1, 2004, §412.316 and §412.320 specify that capital PPS large urban add-on payments and capital PPS DSH payments, respectively, are based on a hospital’s geographic classification specified in §412.64. Therefore, hospitals located in one of the 98 qualifying “Lugar counties” are considered urban for payment purposes under the capital PPS and are eligible for the capital PPS large-urban add-on and capital PPS DSH payments, if applicable. To ensure these “Lugar hospitals” are paid correctly under the capital PPS, FIs must enter the urban CBSA (for the urban area shown in chart 6 of the FY 2005 IPPS final rule (69 FR 49057 – 49059)) in the standardized amount CBSA field on the PSF. (Note, as these hospitals may request geographic reclassification for wage index purposes under section 1886(d)(10) of the Act, the urban CBSA in the standardized amount CBSA field may not necessarily be the same as the urban CBSA in the wage index CBSA field on the PSF.) However, if a “Lugar hospital” declines its redesignation as urban in order to retain its rural status, FIs must enter the rural CBSA (2-digit State code) in the standardized amount CBSA field on the PSF rather than the urban CBSA from the chart to ensure correct payment under the capital PPS.

Treatment of Certain Urban Hospitals Reclassified as Rural Hospitals Under §412.103 for purposes of Capital PPS payments

In the FY 2007 IPPS final rule, we revised the capital PPS large-urban add-on and DSH adjustment regulations at §§412.316(b) and 412.320(a)(1), respectively, to clarify that, beginning in FY 2007, hospitals reclassified as rural under §412.103 are not eligible for the large urban add-on payment or for the capital DSH adjustment since these hospitals are considered rural under the capital PPS. We also made a

technical change in the regulations at §412.316(a) to clarify that the same wage index that applies to hospitals under the operating PPS is used to determine the geographic adjustment factor (GAF) under the capital PPS. In the case of hospitals reclassified as rural under §412.103, the GAF is determined from the applicable statewide rural wage index.

Multicampus Hospitals (This applies to both IPPS and LTCH PPS Hospitals)

Under our current policy, a multicampus hospital with campuses located in the same labor market area receives a single wage index. However, if the campuses are located in more than one labor market area, payment for each discharge is determined using the wage index value for the CBSA (or metropolitan division, where applicable) in which the campus of the hospital is located. When the satellite campus is located in a different labor market area, the fiscal intermediary should assign a unique identifier (usually a 2 digit suffix), which is added after the provider's Online Survey Certification and Reporting (OSCAR) number. This provider-specific "suffix" will ensure the campus-specific payment is based on the wage index for the labor market area where the campus is geographically located.

Reclassification (For IPPS Only)

For FY 2006, FY 2007, or FY 2008, for a campus of a multicampus hospital that wishes to seek reclassification to a geographic wage area where another campus(es) is located, CMS will allow the campus of a multicampus hospital to use the average hourly wage data submitted on the cost report for the entire multicampus hospital as its wage data under 412.230(d)(2). The deadline for multicampus hospitals to reclass is the same as all other hospitals; that is, they must submit their application to the Medicare Geographical Classification Review Board (MGCRB) by September 1st of each year.

F. LTCH Changes

LTCH PPS Cost-To-Charge Ratios (CCR)

In the FY 2007 IPPS final rule, we revised our methodology for determining the annual LTCH PPS CCR ceiling and statewide average CCRs. Under this revised methodology, we now compute a single "total" LTCH CCR ceiling and applicable statewide average LTCH CCRs using IPPS data rather than adding the separate IPPS operating and capital CCR ceilings or statewide average CCRs as we did previously. For FY 2007, the LTCH PPS total CCR ceiling is 1.321, and the applicable LTCH PPS statewide average CCRs are presented in Table 8C of the Addendum of the FY 2007 IPPS final rule.

LTCH Pricer, DRGs, and Relative Weights

The annual update of the long term care diagnosis-related groups (LTC-DRGs), relative weights and GROUPER software for FY 2007 are published in the annual IPPS final rule. The same GROUPER software developed by 3M for the Hospital Inpatient PPS will be used for the LTCH PPS.

- Version 24.0 of the Hospital Inpatient PPS GROUPER will be used for FY 2007, but the LTCH Pricer is updated with LTCH-specific relative weights reflecting the resources used to treat the medically complex LTCH patients.

- The annual update of the LTC-DRGs, relative weights, (geometric) average length of stay and 5/6th of the average length of stay (for short-stay outlier cases) for FY 2007 was determined using the most recent available LTCH claims data (FY 2005).

For those LTCHs that were paid under the transition blend methodology under §412.533, for cost reporting periods beginning on or after FY 2007, payment is based entirely on the adjusted Federal LTCH PPS rate, and therefore, there is no longer a need to update a provider's reasonable cost-based rate.

The LTC-DRGs, relative weights, (geometric) average length of stay and 5/6th of the average length of stay effective for discharges on or after October 1, 2006, can be found in Table 11 of this final rule and are in the LTCH PPS PRICER program.

REMINDER for LTCH PROV files: At a minimum, update the Fiscal Year Begin date field of the PSF. The LTCH Pricer cannot pull the 5/5th (full) wage index if the FYB date is not updated.

G. Inpatient Psychiatric Facility Changes

Comorbidity Adjustment

Based on the changes to the ICD-9-CM codes effective October 1, 2006, the following changes are being made to the comorbidity codes in the IPF PPS.

Invalid:

238.7 Other lymphatic and hematopoietic tissues (Oncology Treatment)

New:

052.2 Postvaricella myelitis (Infectious Diseases)

053.14 Herpes zoster myelitis (Infectious Diseases)

238.71 Essential thrombocythemia (Oncology Treatment)

238.72 Low grade myelodysplastic syndrome lesions (Oncology Treatment)

238.74 Myelodysplastic syndrome with 5 q deletion (Oncology Treatment)

238.76 Myelofibrosis with myeloid metaplasia (Oncology Treatment)

238.75 Myelodysplastic syndrome, unpspecified (Oncology Treatment)

238.79 Other lymphatic and hematopoietic tissues (Oncology Treatment)

Revised (title changes):

403.01 Hypertensive chronic kidney disease, malignant, with chronic kidney disease stage V or end stage renal disease

403.11 Hypertensive chronic kidney disease, benign, with chronic kidney disease stage V or end stage renal disease

403.91 Hypertensive chronic kidney disease, unspecified, with chronic kidney disease stage V or end stage renal disease

404.02 Hypertensive heart and chronic kidney disease, malignant, without heart failure and with chronic kidney disease stage V or end stage renal disease

404.03 Hypertensive heart and chronic kidney disease, malignant, with heart failure and with chronic kidney disease stage V or end stage renal disease

404.12 Hypertensive heart and chronic kidney disease, benign, without heart failure and with chronic kidney disease stage V or end stage renal disease

404.13 Hypertensive heart and chronic kidney disease, benign, with heart failure and chronic kidney disease stage V or end stage renal disease

404.92 Hypertensive heart and chronic kidney disease, unspecified, without heart failure and with chronic kidney disease stage V or end stage renal disease

404.93 Hypertensive heart and chronic kidney disease, unspecified, with heart failure and chronic kidney disease stage V or end stage renal disease

TEFRA Update

Medicare contractors shall update each IPF's TEFRA target amount based on the rate of increase in the excluded hospital market basket published in the IPPS final rule, effective October 1 of each year. During the three-year transition period, some providers will receive a blend of the IPF PPS and the TEFRA reasonable cost payment. For purposes of determining what the TEFRA payment to the IPF will be, we updated the IPF's TEFRA target amount by the excluded hospital market basket percentage increase of 3.4%.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
5276.1	FISS shall install and pay claims with the IPPS Pricer version 070 for discharges on or after October 1, 2006.	X				X				A/B MAC
5276.2	FISS shall install and pay claims with the LTCH Pricer version 071 for discharges on or after October 1, 2006	X				X				A/B MAC

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5276.10	A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established MLNMatters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLNMatters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X								A/B MAC

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: IPPS Pricer, LTCH Pricer, IPF Pricer, MCE, GROUPER, IPPS and LTCH PSF

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: October 1, 2006</p> <p>Implementation Date: October 2, 2006</p> <p>Pre-Implementation Contact(s): Claims Processing: Sarah.Shirey-Losso@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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***Unless otherwise specified, the effective date is the date of service.**

Attachments

FY 2007 IPPS Special WI Table (CR 5276)

PROV	Has Hold Harmless for wage index transition 3rd year	Has section 508 reclass for first half	Has section 505 for first half (10/1/06-3/31/07)	Has Section 505 for 2nd half (4/1/07-9/30/07)	Has Special Exception first half (10/1/06-3/31/07)	Has Special Exception second half (4/1/07-9/30/07)	1st half wage index (10/1/06-3/31/07)	2nd half wage index (4/1/07-9/30/07)
010010	YES		YES	YES			0.9226	0.9226
010021	YES						0.7664	0.7664
010038			YES	YES			0.8059	0.8059
010047			YES	YES			0.7819	0.7819
010052			YES	YES			0.7767	0.7767
010061			YES	YES			0.8170	0.8170
010078			YES	YES			0.8059	0.8059
010109			YES	YES			0.8115	0.8115
010129	YES		YES	YES			0.7968	0.7968
010146			YES	YES			0.8059	0.8059
010150		YES					0.8371	0.7933
020008		YES					1.2183	1.1927
030055	YES						1.1148	1.1148
030069	YES						1.1148	1.1148
030101	YES						1.1148	1.1148
050008			YES	YES			1.5445	1.5445
050016			YES	YES			1.1305	1.1305
050047			YES	YES			1.5445	1.5445
050055			YES	YES			1.5445	1.5445
050082			YES				1.1358	1.1520
050084			YES	YES			1.2029	1.2029
050117			YES	YES			1.1873	1.1873
050118			YES	YES			1.2029	1.2029
050122			YES	YES			1.2029	1.2029
050133			YES	YES			1.1372	1.1372
050152			YES	YES			1.5445	1.5445
050159			YES				1.1358	1.1520
050167			YES	YES			1.2029	1.2029
050194			YES	YES			1.5108	1.5108

FY 2007 IPPS Special WI Table (CR 5276)

050232		YES	YES	1.1305	1.1305
050236		YES		1.1358	1.1520
050242		YES	YES	1.5108	1.5108
050313		YES	YES	1.2029	1.2029
050325		YES	YES	1.1378	1.1378
050335		YES	YES	1.1378	1.1378
050336		YES	YES	1.2029	1.2029
050394		YES		1.1358	1.1520
050407		YES	YES	1.5445	1.5445
050444		YES	YES	1.1873	1.1873
050454		YES	YES	1.5445	1.5445
050457		YES	YES	1.5445	1.5445
050476		YES	YES	1.1459	1.1459
050494	YES		YES	1.4116	1.1518
050506		YES	YES	1.1305	1.1305
050549	YES			1.4116	1.1520
050568		YES	YES	1.1264	1.1264
050616		YES		1.1358	1.1520
050633		YES	YES	1.1305	1.1305
050668		YES	YES	1.5445	1.5445
050695		YES	YES	1.2029	1.2029
050714		YES	YES	1.5108	1.5108
050744		YES	YES	1.1379	1.1379
050745		YES	YES	1.1379	1.1379
050746		YES	YES	1.1379	1.1379
050747		YES	YES	1.1379	1.1379
050749		YES		1.1358	1.1520
060010		YES	YES	0.9386	0.9386
060030		YES	YES	0.9386	0.9386
060075	YES			1.0877	0.9879
060116		YES	YES	1.0284	1.0284
070001	YES			1.2971	1.2730
070005	YES			1.2971	1.2730
070006			YES	1.3134	1.3113
070010	YES			1.3134	1.3113
070016	YES			1.2971	1.2730
070017	YES			1.2971	1.2730

FY 2007 IPPS Special WI Table (CR 5276)

070018			YES	1.3134	1.3113
070019	YES			1.2971	1.2730
070020		YES	YES	1.2061	1.2061
070021		YES	YES	1.1997	1.1997
070022	YES			1.2971	1.2730
070028	YES			1.3134	1.3113
070031	YES			1.2971	1.2730
070034			YES	1.3134	1.3113
070036	YES			1.2930	1.2142
070039	YES			1.2971	1.2730
080001		YES	YES	1.0633	1.0633
080003		YES	YES	1.0633	1.0633
100014		YES	YES	0.9321	0.9321
100017		YES	YES	0.9321	0.9321
100047		YES	YES	0.9738	0.9738
100062		YES	YES	0.8793	0.8793
100068		YES	YES	0.9321	0.9321
100072		YES	YES	0.9321	0.9321
100077		YES	YES	0.9738	0.9738
100102		YES	YES	0.8858	0.8858
100118		YES	YES	0.9131	0.9131
100156		YES	YES	0.8858	0.8858
100175		YES	YES	0.8964	0.8964
100212		YES	YES	0.8793	0.8793
100236		YES	YES	0.9738	0.9738
100290		YES	YES	0.9315	0.9315
110027		YES	YES	0.8212	0.8212
110124		YES	YES	0.8253	0.8253
110146		YES	YES	0.8630	0.8630
110190		YES	YES	0.8007	0.8007
130024		YES	YES	0.8843	0.8843
130066		YES	YES	0.9576	0.9576
140026		YES	YES	0.8704	0.8704
140033		YES	YES	1.0798	1.0798
140084		YES	YES	1.0798	1.0798
140100		YES	YES	1.0798	1.0798
140130		YES	YES	1.0798	1.0798

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140155				YES	YES	1.0564	1.0564
140186				YES	YES	1.0564	1.0564
140202		YES	YES			1.0798	1.0798
140205		YES	YES			1.0211	1.0211
150022		YES	YES			0.8813	0.8813
150035		YES	YES			0.9480	0.9480
150045	YES	YES	YES			0.9699	0.9699
150091	YES	YES	YES			0.9856	0.9856
160013		YES	YES			0.9021	0.8833
160030		YES	YES			0.9745	0.9745
160032		YES	YES			0.9075	0.8887
160040		YES				0.8803	0.8615
160064		YES				0.9701	0.9280
160067		YES				0.8803	0.8615
160110		YES				0.8803	0.8615
180049	YES					0.8965	0.8965
180128		YES	YES			0.8087	0.8087
190017	YES	YES	YES			0.8643	0.8643
190044	YES					0.8408	0.8408
190054		YES	YES			0.7767	0.7767
190078	YES	YES	YES			0.8643	0.8643
190088	YES	YES	YES			0.9553	0.9553
190133		YES	YES			0.7898	0.7898
190144	YES	YES	YES			0.9553	0.9553
190184		YES	YES			0.7821	0.7821
190190		YES	YES			0.7821	0.7821
190246		YES	YES			0.7821	0.7821
200002		YES	YES			0.8522	0.8522
200032		YES	YES			0.8859	0.8859
210001		YES	YES			0.9443	0.9443
210004		YES	YES			1.0888	1.0888
210016		YES	YES			1.0888	1.0888
210018		YES	YES			1.0888	1.0888
210022		YES	YES			1.0888	1.0888
210023		YES	YES			1.0131	1.0131
210028		YES	YES			0.9393	0.9393
210043		YES	YES			1.0131	1.0131

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210048		YES	YES	1.0209	1.0209
210057		YES	YES	1.0888	1.0888
220046	YES			1.1343	1.0757
220089		YES	YES	1.1252	1.1252
220176		YES	YES	1.0852	1.0852
230003	YES			1.0797	0.9762
230004	YES			1.0797	1.0105
230005	YES			1.0678	1.0678
230013	YES			1.0602	1.0281
230015		YES	YES	0.9387	0.9387
230019	YES			1.0602	1.0281
230020	YES			1.0563	1.0440
230021		YES	YES	0.9164	0.9164
230024	YES			1.0563	1.0440
230029	YES			1.0602	1.0281
230036	YES			1.0602	1.0044
230038	YES			1.0797	0.9554
230041		YES	YES	1.0179	1.0143
230053	YES			1.0563	1.0440
230059	YES			1.0797	0.9554
230066	YES			1.0797	1.0105
230071	YES			1.0602	1.0281
230072	YES			1.0797	0.9762
230075		YES	YES	0.9811	0.9811
230089	YES			1.0563	1.0440
230092		YES	YES	1.0106	1.0106
230097	YES			1.0797	0.9554
230104	YES			1.0563	1.0440
230106	YES		YES	1.0797	0.9584
230119	YES			1.0563	1.0440
230130	YES			1.0602	1.0281
230135	YES			1.0563	1.0440
230146	YES			1.0563	1.0440
230151	YES			1.0602	1.0281
230165	YES			1.0563	1.0440
230174	YES			1.0797	0.9762
230176	YES			1.0563	1.0440

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230207		YES				1.0602	1.0281
230222	YES		YES	YES		0.9439	0.9439
230223		YES				1.0602	1.0281
230236		YES				1.0797	0.9554
230254		YES				1.0602	1.0281
230269		YES				1.0602	1.0281
230270		YES				1.0563	1.0440
230273		YES				1.0563	1.0440
230277		YES				1.0602	1.0281
240044			YES	YES		1.0063	1.0148
250002		YES				0.8461	0.7876
250078					YES	YES	0.8461
250122		YES				0.8461	0.7796
260011			YES	YES		0.8620	0.8620
260074			YES	YES		0.8511	0.8511
260097			YES	YES		0.8778	0.8778
270002					YES	YES	0.8783
270012					YES	YES	0.8783
270023		YES				0.8956	0.8783
270032		YES				0.8956	0.8655
270057		YES				0.8956	0.8655
270084					YES	YES	0.8783
280123			YES	YES		0.8773	0.8773
290020	YES					1.1148	1.1148
290049			YES	YES		0.9929	0.9929
290051			YES	YES		0.9929	0.9929
300011			YES	YES		1.1801	1.1801
300012			YES	YES		1.1801	1.1801
300017			YES	YES		1.2093	1.2093
300020			YES	YES		1.1801	1.1801
300023			YES	YES		1.2093	1.2093
300029			YES	YES		1.2093	1.2093
300034			YES	YES		1.1801	1.1801
310010			YES	YES		1.1494	1.1494
310011			YES	YES		1.1517	1.1517
310021		YES				1.3134	1.1756
310028		YES				1.3134	1.1756

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310044		YES	YES			1.1494	1.1494
310051		YES				1.3134	1.1756
310060		YES				1.3134	1.1402
310092		YES	YES			1.1494	1.1494
310110		YES	YES			1.1494	1.1494
310115		YES				1.3134	1.1402
310120		YES				1.3134	1.1756
310123		YES	YES			1.2107	1.2107
310124		YES	YES			1.1752	1.1752
320003		YES	YES			0.9004	0.9004
320011		YES	YES			0.8817	0.8817
320018		YES	YES			0.9187	0.9187
320085		YES	YES			0.9187	0.9187
330023				YES	YES	1.3134	1.3113
330047	YES					0.8849	0.8849
330049		YES				1.3134	1.0966
330067				YES	YES	1.3134	1.3113
330106		YES				1.4779	1.3113
330126		YES	YES			1.3134	1.1526
330135		YES	YES			1.3134	1.1526
330166	YES					0.843	0.843
330167		YES				1.3108	1.3113
330181		YES				1.3108	1.3113
330198		YES				1.3108	1.3113
330205		YES	YES			1.3134	1.1526
330209							
330225		YES				1.3108	1.3113
330259		YES				1.3108	1.3113
330264		YES	YES			1.2971	1.1526
330276		YES	YES			0.8493	0.8493
330331		YES				1.3108	1.3113
330332		YES				1.3108	1.3113
330372		YES				1.3108	1.3113
340002		YES				0.9413	0.9264
340015	YES	YES	YES			0.9680	0.9680
340020		YES	YES			0.8836	0.8836
340037		YES	YES			0.8845	0.8845

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340069		YES	YES			0.9775	0.9775
340070		YES	YES			0.9077	0.9077
340073			YES			0.9677	0.9775
340085	YES	YES	YES			0.9359	0.9359
340096	YES	YES	YES			0.9359	0.9359
340104		YES	YES			0.8845	0.8845
340114		YES	YES			0.9775	0.9775
340133		YES	YES			0.8937	0.8937
340138		YES	YES			0.9775	0.9775
340173		YES	YES			0.9775	0.9775
350002	YES					0.8367	0.7368
350003	YES					0.8367	0.7368
350006	YES					0.8367	0.7368
350010	YES					0.8367	0.7368
350014	YES					0.8367	0.7368
350015	YES					0.8367	0.7368
350017	YES					0.8367	0.7368
350019				YES	YES	0.8367	0.8367
350030	YES					0.8367	0.7368
360025		YES	YES			0.9345	0.9345
360032	YES					0.8925	0.8925
360070		YES	YES			0.9076	0.9076
360071	YES					0.8925	0.8925
360084		YES	YES			0.9076	0.9076
360100		YES	YES			0.9076	0.9076
360131		YES	YES			0.9076	0.9076
360151		YES	YES			0.9076	0.9076
360156		YES	YES			0.8896	0.8896
360270		YES	YES			0.8803	0.8803
370014		YES	YES			0.8678	0.8678
370023		YES	YES			0.7931	0.7931
370065		YES	YES			0.7968	0.7968
370149	YES	YES	YES			0.9163	0.9163
370219		YES	YES			0.8203	0.8203
380002		YES	YES			1.0324	0.9894
380029		YES	YES			1.0358	1.0358
380051		YES	YES			1.0358	1.0358

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380056		YES	YES			1.0358	1.0358
380090	YES					1.1162	1.0598
390001	YES					0.9990	0.8301
390003	YES					0.9990	0.8301
390008	YES					0.8568	0.8568
390011		YES	YES			0.8574	0.8574
390016	YES					0.8568	0.8568
390039	YES					0.8562	0.8562
390044				YES	YES	1.1402	1.1402
390045				YES		0.9990	0.8301
390054	YES					0.9942	0.8301
390056		YES	YES			0.8343	0.8343
390072	YES					0.9990	0.8301
390095	YES					0.9990	0.8301
390096				YES	YES	1.1402	1.1402
390101		YES	YES			0.9594	0.9594
390110		YES	YES			0.8574	0.8574
390112	YES					0.8562	0.8562
390119	YES					0.9990	0.8301
390130		YES	YES			0.8574	0.8574
390137	YES					0.9990	0.8301
390146		YES	YES			0.8354	0.8354
390150		YES	YES			0.8507	0.8507
390162		YES	YES			1.0293	1.0293
390169	YES					0.9990	0.8301
390181		YES	YES			0.8585	0.8585
390183		YES	YES			0.8585	0.8585
390185	YES					0.9942	0.8301
390192	YES					0.9990	0.8301
390201		YES	YES			0.9428	0.9428
390233		YES	YES			0.9594	0.9594
390237	YES					0.9990	0.8301
390270	YES					0.9942	0.8301
420043	YES	YES	YES			0.9249	0.9249
420062		YES	YES			0.8801	0.8801
420098		YES	YES			0.8727	0.8727
430005	YES					0.8708	0.8298

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430008				YES	YES	0.9238	0.9238
430013				YES	YES	0.9238	0.9238
430015		YES				0.9238	0.8298
430048		YES				0.9238	0.8298
430060		YES				0.9238	0.8298
430064		YES				0.9238	0.8298
430077		YES				0.9238	0.8708
430091		YES				0.9238	0.8708
440008			YES	YES		0.8785	0.8785
440030			YES	YES		0.8178	0.8178
440047			YES	YES		0.8621	0.8621
440056			YES	YES		0.8443	0.8443
440060			YES	YES		0.8621	0.8621
440063			YES	YES		0.8133	0.8133
440081	YES					0.8227	0.8227
440105			YES	YES		0.8133	0.8133
440115			YES	YES		0.8621	0.8621
440153			YES	YES		0.8129	0.8129
440174			YES	YES		0.8494	0.8494
440181			YES	YES		0.8529	0.8529
440184			YES	YES		0.8133	0.8133
450010		YES				0.8794	0.8562
450072		YES				1.0094	1.0094
450163			YES	YES		0.8359	0.8359
450370			YES	YES		0.8483	0.8483
450465			YES	YES		0.8660	0.8660
450565			YES	YES		0.8711	0.8711
450591		YES				1.0094	1.0094
450596	YES		YES	YES		1.0364	1.0364
450597			YES	YES		0.8302	0.8302
450755			YES	YES		0.8709	0.8709
450886			YES	YES		0.9653	0.9653
450888			YES	YES		0.9653	0.9653
460017			YES	YES		0.8644	0.8644
460018	YES					1.1538	1.1538
470003		YES				1.1343	0.9622
490001		YES				0.8600	0.8101

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490019	YES		YES	YES			1.2217	1.2217
490024		YES					0.8499	0.8803
490038			YES	YES			0.8123	0.8123
490084			YES	YES			0.8268	0.8268
490110			YES	YES			0.8296	0.8296
500007			YES	YES			1.0429	1.0429
500019			YES	YES			1.0419	1.0419
500024			YES	YES			1.0985	1.0985
500139			YES	YES			1.0985	1.0985
500143			YES	YES			1.0985	1.0985
510039			YES	YES			0.7866	0.7866
510050			YES	YES			0.7866	0.7866
520035			YES	YES			0.9684	0.9684
520044			YES	YES			0.9684	0.9684
520057			YES	YES			0.9725	0.9725
520132			YES	YES			0.9684	0.9684
530008					YES	YES	0.9199	0.9091
530010					YES	YES	0.9199	0.9091
530015		YES					1.0060	0.9217

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State	Provider ID
AL	010008
AL	010015
AL	010032
AL	010043
AL	010066
AL	010095
AL	010097
AL	010130
AZ	030071
AZ	030073
AZ	030080
AZ	030084
AZ	030099
AZ	030113
AZ	030115
CA	050135
CA	050137
CA	050138
CA	050139
CA	050140
CA	050148
CA	050173
CA	050189
CA	050192
CA	050292
CA	050325
CA	050382
CA	050397
CA	050423
CA	050430
CA	050434
CA	050447
CA	050456
CA	050515
CA	050543
CA	050545
CA	050546
CA	050548
CA	050561
CA	050609
CA	050618
CA	050644
CA	050662
CA	050668
CA	050677
CA	050686
CA	050717
CA	050720
CA	050725
CA	050732
CA	050747

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CA	050752
CO	060008
CO	060117
CT	070038
FL	100015
FL	100030
FL	100048
FL	100134
FL	100139
FL	100285
FL	100298
GA	110044
GA	110130
IL	140151
IL	140205
IN	150037
IN	150150
KS	170014
KS	170039
KS	170166
KY	180105
LA	190037
LA	190151
LA	190184
LA	190190
LA	190208
LA	190256
LA	190263
MA	220133
MA	220135
MA	220153
MA	220154
MA	220172
MI	230135
MN	240006
MN	240071
MN	240211
MS	250036
MS	250060
MO	260061
MO	260080
MT	270074
MT	270087
NE	280119
NV	290020
NV	290042
NV	290049
NM	320058
NM	320059
NM	320060
NM	320062
NY	330053

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NY	330166
NC	340087
NC	340104
NC	340137
NC	340138
NC	340153
NC	340156
NC	340168
ND	350064
OH	360258
OK	370011
OK	370036
OK	370072
OK	370083
OK	370139
OK	370171
OK	370190
OK	370218
OK	370223
PA	390003
PA	390024
PA	390025
PA	390302
PA	390311
SC	420038
SC	420057
SC	420101
SD	430082
TN	440040
TN	440131
TN	440141
TX	450090
TX	450123
TX	450243
TX	450270
TX	450293
TX	450373
TX	450411
TX	450451
TX	450489
TX	450539
TX	450586
TX	450597
TX	450615
TX	450698
TX	450754
TX	450758
TX	450760
TX	450770
TX	450813
TX	450831
TX	450849

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TX	450850
TX	450864
TX	450865
TX	450868
TX	450879
TX	450884
TX	450890
UT	460020
UT	460035
UT	460054
VA	490104
VA	490134
VA	490135
VA	490136
TX	670002
TX	670004