

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 728	Date: July 15, 2010
	Change Request 7029

Transmittal 726, dated July 8, 2010, is being rescinded and replaced by Transmittal 728, dated July 15, 2010 to revise the Calendar Year (CY) 2010 Outpatient Prospective Payment System (OPPS) conversion factor to \$67.241 and the Inpatient Rehabilitation Facility (IRF) Prospective Payment System (PPS) outlier threshold for the first half of Fiscal Year (FY) 2010 to \$10,652. All other information remains the same.

SUBJECT: Updates to the Inpatient Prospective Payment System (IPPS), Long Term Care Hospital (LTCH) PPS, Outpatient Prospective Payment System (OPPS), and Inpatient Rehabilitation Facility (IRF) PPS Changes due to the Affordable Care Act (ACA)

I. SUMMARY OF CHANGES: This CR outlines changes for IPPS hospitals for Federal FY 2010, LTCHs for RY2010, IRFs for FY 2010 and OPPS for CY 2010 as a result of the Affordable Care Act. The policy changes reflected in this CR will appear in upcoming Federal Register notices for IPPS/LTCH PPS, OPPS and IRF PPS. The changes in this CR have various retroactive effective dates. Contractors will be instructed to reprocess claims affected by the ACA in CR 7011.

EFFECTIVE DATE: Various Effective Dates

IMPLEMENTATION DATE: August 9, 2010

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:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

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

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

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 728	Date: July 15, 2010	Change Request: 7029
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SUBJECT: Updates to the Inpatient Prospective Payment System (IPPS), Long Term Care Hospital (LTCH) PPS, Outpatient Prospective Payment System (OPPS), and Inpatient Rehabilitation Facility (IRF) PPS Changes due to the Affordable Care Act (ACA)

Effective Date: Various Effective Dates

Implementation Date: August 9, 2010

I. GENERAL INFORMATION

A. Background: This Change Request (CR) outlines changes for IPPS hospitals for Federal Fiscal Year (FY) 2010, LTCHs for Rate Year (RY) 2010, IRFs for FY 2010 and OPPS for Calendar Year (CY) 2010 as a result of the Affordable Care Act (see below). The policy changes reflected in this CR will appear in upcoming Federal Register notices for IPPS/LTCH PPS, OPPS and IRF PPS. The changes in this CR have various retroactive effective dates. Instructions about how to handle past claims paid under pre-ACA requirements are forthcoming.

B. Policy: On March 23, 2010, the Affordable Care Act (Pub. L. 111-148) was enacted. Following enactment of Pub. L. 111-148, the Health Care and Education Reconciliation Act of 2010, Public L. 111-152 (enacted on March 31, 2010), amended certain provisions of Pub. L. 111-148. (These public laws are collectively known as the Affordable Care Act). Several of the provisions of the Affordable Care Act affect the FY 2010 IPPS, the RY 2010 LTCH PPS, and the CY 2011 OPPS. In particular, certain provisions require changes to the wage index and market basket update and, as a result, changes to area wage indices (including the statewide rural floor budget neutrality adjustments under the IPPS and OPPS), rates, and outlier thresholds for these provider payment systems.

1) IPPS Updates

Extension of Section 508 Reclassifications and Special Exceptions Wage Indices and Changes to the FY 2010 IPPS Wage Index

Sections 3137(a) and 10317 of the Affordable Care Act retroactively extends section 508 reclassifications and special exceptions wage indices through September 30, 2010 (that is, for discharges occurring on or after October 1, 2009, through discharges on or before September 30, 2010). Effective April 1, 2010, section 10317 also requires removing section 508 and special

exceptions hospitals' wage data from the calculation of the reclassified wage index if doing so raises the reclassified wage index. As a result of these changes to the wage index (and the changes to the market basket update as discussed below), many of the originally published FY 2010 IPPS wage indices (including the statewide rural floor budget neutrality adjustment factors) have changed for either all of FY 2010 (for section 508 and special exceptions hospitals) or for only the second half of FY 2010 (for all other IPPS hospitals).

All section 508 and special exceptions hospitals affected by sections 3137(a) and 10317 shall be assigned an individual special wage index effective October 1, 2009. A section 508 or special exceptions hospital shall be assigned for the entire FY 2010 the higher of its wage index value from the FY 2010 IPPS final rule (74 FR 44032-44078, August 27, 2009) and correction notice (74 FR 51496-51507, October 7, 2009), or its wage index value under the revised FY 2010 wage index values effective April 1, 2010. A Joint Signature Memorandum (JSM)/Technical Direction Letter (TDL)-10249, issued by CMS on April 21, 2010, instructed FIs and A/B MACs to insert the wage indices, listed in Attachment A, in the special wage index field of the Inpatient Provider Specific File (IPSF) for the section 508 or special exceptions hospitals paid under the IPPS for discharges on or after October 1, 2009, through discharges on or before September 30, 2010.

For all other IPPS providers not listed in Attachment A, the revised FY 2010 wage indices (including the revised statewide rural floor budget neutrality adjustment factors) resulting from the implementation of sections 3137 and 10317 of the ACA (and the change in the market basket update as discussed below) are effective only for discharges occurring on or after April 1, 2010 and on or before September 30, 2010.

The revised FY 2010 IPPS wage indices discussed above for section 508/special exceptions hospitals and all other IPPS hospitals are included in the latest version of Pricer. Updated IPPS wage index tables reflecting the revised wage indices that are effective April 1, 2010 through September 30, 2010 (Table 2 – providers' case mix indices, wage indices, and average hourly wages; Tables 4A, 4B, and 4C – urban, rural, and reclassified area wage indices; and Table 4D-1 – statewide rural floor budget neutrality factors) can be downloaded from the CMS Web site at:

<http://www.cms.gov/AcuteInpatientPPS/WIFN/itemdetail.asp?filterType=none&filterByDID=0&sortByDID=3&sortOrder=descending&itemID=CMS1234175&intNumPerPage=10>.

Also, in our review of the FY 2010 wage index values, we realized that two providers (070010 and 070028) were not originally identified as being reclassified under section 508, but should have been. Subsequently, the wage data for those two providers (070010 and 070028) were included in the wage data that would be used to calculate the attaching wage index for CBSA 35644. We have revised the wage data for CBSA 35644 to exclude these data. This revision changed the wage indexes for providers reclassified to CBSA 35644. (Note: Contractors were instructed in a separate JSM/TDL to update the IPSF accordingly due to the inclusion of 070010 and 070028 as section 508 hospitals. Additionally, these two providers are included in Attachment A.)

The following lists the IPPS providers with Medicare Geographic Classification Review Board (MGCRB) reclassifications and their revised wage index values for the second half of FY 2010

(April 1, 2010 – September 30, 2010) (Note: Contractors were instructed in a separate JSM/TDL to update the IPSF with the following providers' special wage index):

Provider #	Special Wage index effective 4/1/10-9/30/10
070015	1.2695
070033	1.2695
310002	1.2769
310009	1.2769
310015	1.2769
310017	1.2769
310018	1.2769
310038	1.2769
310039	1.2769
310054	1.2769
310070	1.2769
310076	1.2769
310083	1.2769
310093	1.2769
310096	1.2769
310108	1.2769
310119	1.2769
330027	1.2930
330167	1.2930
330181	1.2930
330182	1.2930
330198	1.2930
330225	1.2930
330259	1.2930
330331	1.2930
330332	1.2930
330372	1.2930

All of the hospitals listed within this section are reclassified under Section 508 of the MMA or reclassified through the MGCRB. The wage indices for these hospitals shall be updated using the Special Wage Index fields in the IPPS PSF. Contractors shall enter a '2' in the Special Payment Indicator field and shall enter the appropriate corrected wage index value in the Special Wage Index field.

For providers reclassified under Section 508, contractors are required to enter the Special Wage Indices into the IPSF with an effective date of October 1, 2009. For providers reclassified through the MGCRB, contractors shall enter the Special Wage Index into the IPSF with an effective date of April 1, 2010.

Market Basket Update Reduction for IPPS

On March 23, 2010, President Obama signed into law the Affordable Care Act. Section 3401(a) of the ACA imposes a 0.25 percentage point reduction to the IPPS market basket update for FY 2010 that is applied to the operating standardized amounts and hospital-specific rates for Sole Community Hospitals and Medicare Dependant Hospitals. This law also specified that the revised FY 2010 rates only apply to payments made for discharges occurring on or after April 1, 2010. As a result of this provision, we updated the IPPS standardized amounts, budget neutrality factors and outlier threshold to be applied in making payments for discharges on or after April 1, 2010 through discharges occurring on or before September 30, 2010, the second half of FY 2010. We note that as a result of implementing these provisions of the ACA, for Sole Community Hospitals and Medicare Dependant Hospitals, for discharges on or after April 1, 2010 through discharges on or before September 30, 2010, the PRICER will apply the revised DRG Reclassification and Recalibration Budget Neutrality Factor of 0.997935 to the hospital specific rate (see the “FY 2010 IPPS Rates” table below). (For Sole Community Hospitals and Medicare Dependant Hospitals, for discharges on or after October 1, 2009 through discharges on or before March 31, 2010, the DRG Reclassification and Recalibration Budget Neutrality Factor of 0.997941 is applied to the hospital specific rate.)

The updated FY 2010 IPPS rates, budget neutrality factors and outlier thresholds are listed in the tables below.

FY 2010 IPPS Rates (Effective for Discharges on or after April 1, 2010 through discharges on or before September 30, 2010)

National Standardized Amounts Update Factor	1.0185 0.9985 (for hospitals that do not submit quality data)
Puerto Rico Specific Standardized Amounts Update Factor	1.021 1.021 (for hospitals that do not submit quality data)
MDH/SCH Hospital Specific Update Factor	1.0185 0.9985 (for hospitals that do not submit quality data)
Outlier Fixed Loss Cost Threshold	\$23,135.00
Federal Capital Rate	\$429.56
Puerto Rico Capital Rate	\$203.57
Outlier Offset-Operating National	0.948998
Outlier Offset-Operating Puerto Rico	0.957417
IME Formula (no change for FY10)	$1.35 \times [(1 + \text{resident to bed ratio})^{.405} - 1]$

DRG Reclassification and Recalibration Budget Neutrality Factor (applied to the Hospital Specific Rate)	0.997935
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Operating

Rates with FULL Market Basket

	Wage Index > 1		Wage Index ≤ 1	
	Labor Share	Non-Labor Share	Labor Share	Non-Labor Share
National	\$3,587.24	\$1,626.78	\$3,232.69	\$1,981.33
PR National	\$3,587.24	\$1,626.78	\$3,232.69	\$1,981.33
PR Specific	\$1,543.61	\$942.07	\$1,541.12	\$944.56

Rates with REDUCED Market Basket

	Wage Index > 1		Wage Index ≤ 1	
	Labor Share	Non-Labor Share	Labor Share	Non-Labor Share
National	\$3,516.80	\$1,594.84	\$3,169.22	\$1,942.42
PR National	\$3,587.24	\$1,626.78	\$3,232.69	\$1,981.33
PR Specific	\$1,543.61	\$942.07	\$1,541.12	\$944.56

2) LTCH PPS Updates

Section 3401(c) of the ACA imposes a 0.25 percentage point reduction to the LTCH market basket update for Rate Year (RY) 2010. This law also specified that the revised RY 2010 rates only apply to payments made for discharges on or after April 1, 2010. Therefore, we have updated the LTCH standard Federal rate and outlier threshold (show below) to be applied in making payments for discharges on or after April 1, 2010 through discharges on or before September 30, 2010, the second half of RY 2010.

Federal Rate	\$39,794.95
High Cost Outlier Fixed-Loss Amount	\$18,615.00

In addition, for making payments for the second half of RY 2010, the FY 2010 IPPS rates used to compute the “IPPS comparable amount” in the short-stay outlier (SSO) payment formula have also been updated to reflect the changes to those rates required by the Affordable Care Act.

3) OPSS Updates

Section 3401(i) of the Affordable Care Act, as amended by Section 10319 Pub. L. 111-148, imposes a 0.25 percentage point reduction to the Outpatient Prospective Payment System (OPSS) hospital’s market basket for CY 2010, effective for services furnished on or after January 1, 2010. Section 3137 of the Affordable Care Act as amended by Section 10317 extends wage index reclassifications under Section 508 and the wage index for special exception providers. Hospitals located in a CBSA that includes section 508 providers or special exception providers will be paid using a revised wage index beginning April 1 under the IPPS and July 1 under the OPSS.

Further, section 3137 as amended by Section 10317 specifies that if the Section 508 or special exception hospital's wage index applicable for the period beginning on October 1, 2009, and ending on March 31, 2010, is lower than for the period beginning on April 1, 2010, and ending on September 30, 2010, the hospital shall be paid an additional amount that reflects the difference between the wage indices. The provision applies to both IPPS and OPSS hospital payments.

Instructions about how to handle past claims under pre-ACA requirements are forthcoming.

The new post-reclassification wage index values and changes to the hospital operating market basket affect the calculation of the CY 2010 OPSS conversion factor. For the CY 2010 OPSS Final Rule, we calculated a final conversion factor of \$67.406 (74 FR 60419). We now calculate a revised CY 2010 OPSS conversion factor of \$67.241 by applying the revised wage index adjustment and the updated market basket. For a detailed discussion of the calculation of the conversion factor and the OPSS payment rates, please see the CY 2010 OPSS final rule claims accounting available online at:

http://www.cms.gov/HospitalOutpatientPPS/Downloads/CMS_1414_FC_OPSS_2010_FR_Claims_Accounting_narrative.pdf and the November 20, 2009 CY 2010 OPSS/ASC final rule with comment period (74 FR 60419).

Due to the revised CY 2010 OPSS conversion factor, the CY 2010 OPSS payment rates for certain services based on the new conversion factor, effective January 1, 2010, will change. Consequently, any calculations based on these revised OPSS payment rates would also change, including the OPSS copayment rates. Offset calculations that are based on payment rates have also changed, including the Drug and Device Offsets available online at http://www.cms.gov/HospitalOutpatientPPS/04_passthrough_payment.asp#TopOfPage and, the device FB/FC modifier offsets available online at http://www.cms.gov/HospitalOutpatientPPS/02_device_procedure.asp#TopOfPage

Finally, section 3121 of the Affordable Care Act extends the hold harmless provision for small rural hospitals with 100 or fewer beds through December 31, 2010, at 85 percent of the hold harmless amount. Sole Community Hospitals (SCHs) and Essential Access Community Hospitals (EACHs) are no longer limited to those with 100 or fewer beds effective January 1, 2010 through December 31, 2010 and these providers will receive TOPs payments at 85 percent of the hold harmless amount until December 31, 2010. Cancer and children's hospitals are permanently held harmless under section 1833(t)(7)(D)(ii) of the Social Security Act and continue to receive TOPs payments in CY 2010.

Changes to Payments for Certain Drugs and Biologicals

In addition to these changes created by the affordable care act, the copayment for diagnostic radiopharmaceuticals, implantable biologicals and contrast agents with pass-through status was incorrect in the April OPSS Pricer, version 2.0. The copayment amount is now correct in the updated OPSS Pricer, version 2.2.

Changes to OPSS Pricer Logic

- a. The OPSS Pricer is revised to reflect the CY 2010 OPSS payment rates that are recalculated to reflect the changes to the hospital market basket and wage index that are required by sections 3401 and 3137 of the Affordable Care Act, respectively, effective for services furnished on and after January 1, 2010. New OPSS payment rates and copayment amounts will be effective for services furnished on and after January 1, 2010.
- b. Update unrelated to ACA - The OPSS Pricer is revised to reflect \$0 copayments for the diagnostic radiopharmaceuticals, implantable biologicals and contrast agents with pass-through status beginning January 1, 2010 as the OPSS Pricer, version 2.0, incorrectly included a copayment for those items.
- c. Update unrelated to ACA - The OPSS Pricer is revised to reflect correct payment amounts for three HCPCS codes for drugs and biological, effective April 1, 2010. The corrected payment rates are listed below and in CR 6996.

HCPCS Code	Status Indicator	APC	Short Descriptor	Corrected Payment Rate	Corrected Minimum Unadjusted Copayment
C9258	G	9258	Telavancin injection	\$2.12	\$0.42
C9262	G	9262	Fludarabine phosphate, oral, 1 mg	\$8.18	\$1.61
J1540	K	0923	Gamma globulin 9 CC inj	\$141.64	\$28.33

- d. Effective for services furnished on and after January 1, 2010, all SCHs and EACHs will be eligible for TOPs without regard to the bed size of the facility. Effective for services furnished on and after January 1, 2010, small rural hospitals with 100 or fewer beds will be eligible for TOPs. Rural SCH/EACHs will continue to receive a 7.1 percent payment increase for most services in CY 2010. The rural SCH and EACH payment adjustment excludes drugs, biologicals, items and services paid at charges reduced to cost, and items paid under the pass-through payment policy in accordance with section 1833(t)(13)(B) of the Act, as added by section 411 of Pub. L. 108-173.
- e. Although copayment amounts will change as a result of the recalculation of the CY 2010 OPSS payment rates, all coinsurance rates remain limited to a maximum of 40 percent of the APC payment rate. Copayment amounts for each service continue to be limited to the inpatient deductible of \$1,100.
- f. Effective January 1, 2010, CMS is adopting the final FY 2010 IPPS post-reclassification wage index values as revised by section 3137(a) as amended by 10317 of Pub. L. 111-148 for the CY, including extension of section 508 reclassification wage index values through September 30, 2010. Special exception wage values apply for CY 2010. Revised post-reclassification wage index values implemented in the IPPS Pricer in April will be implemented in the OPSS in July and issued with the July Pricer. (See CR 6996)

- g. Effective January 1, 2010 there will be two contrast agents receiving pass-through payments in the OPSS Pricer logic. For a specific set of APCs identified elsewhere in this update, Pricer will reduce the amount of the pass-through contrast agent by the wage-adjusted offset for the APC with the highest offset amount when the contrast agent with pass-through status appears on a claim on the same date of service with a procedure from the identified list of APCs with procedures using contrast agents. The offset will cease to apply when the contrast agent expires from pass-through status. The offset amounts for contrast agents are the “policy-packaged” portions of the CY 2010 APC payments for procedures using contrast agents and may be found on the CMS Web site. These offset amounts have been updated to reflect CY 2010 OPSS payment rates that are recalculated to reflect the changes to the hospital market basket and wage index that are required by sections 3401 and 3137 of the Affordable Care Act.
- h. Effective January 1, 2010 there will be one diagnostic radiopharmaceutical receiving pass-through payment in the OPSS Pricer logic. For APCs containing nuclear medicine procedures, Pricer will reduce the amount of the pass-through diagnostic radiopharmaceutical payment by the wage-adjusted offset for the APC with the highest offset amount when the radiopharmaceutical with pass-through appears on a claim with a nuclear procedure. The offset will cease to apply when the diagnostic radiopharmaceutical expires from pass-through status. The offset amounts for diagnostic radiopharmaceuticals are the “policy-packaged” portions of the CY 2010 APC payments for nuclear medicine procedures and may be found on the CMS Web site. These offset amounts have been updated to reflect CY 2010 OPSS payment rates that are recalculated to reflect the changes to the hospital market basket and wage index that are required by sections 3401 and 3137 of the Affordable Care Act.
- i. APC offset amounts equal to the device portion of the APC for devices received without cost or at a reduced cost, and indicated by the FB and FC modifier respectively, are updated to reflect CY 2010 OPSS payment rates that are recalculated to reflect the changes to the hospital market basket and wage index that are required by sections 3401 and 3137 of the Affordable Care Act
- j. Upon installation of the updated OPSS Pricer software, Medicare contractors shall immediately begin processing OPSS claims using the revised rates for OPSS claims with dates of service of January 1, 2010, and later.

Updating the Outpatient Provider Specific File (OPSF)

- a. Contractors shall maintain the accuracy of the provider records in the Outpatient Provider Specific File (OPSF) as changes occur in data element values. In particular, contractors shall update the OPSF to reflect the ACA changes to the wage index and TOPs eligibility (JSM/TDL-10209), effective for services furnished on and after January 1, 2010.

- b. Contractors shall update the OPSF to reflect changes to the wage index values in effect for hospitals with wage index reclassifications under section 508 and special exception policies (JSM/TDL-10249).

NOTE: The following instructions also were issued to contractors in JSM/TDL-10249:

In accordance with sections 3137(a) and 10317 of Pub. L 111-148, for CY 2010, we are adopting all section 508 geographic reclassifications extending from October 1, 2009 through September 30, 2010. Wage index values applicable to providers reclassified under 508 are adopted on a federal FY timeframe under both the IPPS and OPSS. Similar to our treatment of section 508 reclassifications as previously extended under 124 of Pub. L. 110- 275 of The Medicare Improvements for Patients and Providers Act (MIPPA), hospitals with section 508 reclassifications will revert to their home area wage index, with section 505 out-migration adjustment if applicable, from October 1, 2010, to December 31, 2010 for OPSS payment. Please note that under the OPSS, the wage index values applicable for all providers, including providers special exception wage indexes, are adopted on a CY timeframe. The CY 2010 wage index values for both sets of providers shall be updated using the Special Wage Index fields in the OPSF based on the tables and specified timeframes indicated below. Contractors shall enter a ‘2’ in the Special Payment Indicator field and shall enter the appropriate corrected wage index value in the Special Wage Index field.

Attachment B lists the OPSS providers with Section 508 reclassifications and their wage index values in effect for the time frames specified in the table. The following table lists the special exception providers and their wage index values for all of CY 2010 (January 1, 2010 – December 31, 2010):

Provider #	Special Wage Index effective 1/1/2010 – 12/31/2010
070006	1.2678
070018	1.2678
070034	1.2678
250078	0.8462
270002	0.8916
270012	0.8916
330023	1.2914
330067	1.2914
350019	0.8360
390045	0.9813
430008	0.9040
430013	0.9040

- c. Contractors shall update the OPSF to reflect changes to the wage index for CBSA 35644 as was instructed in a separate JSM/TDL through the following:

In our review of the FY 2010 wage index values, we realized that two providers (070010 and 070028) were not originally identified as being reclassified under section 508, but should have been. (These two providers are included in Attachment B.) Subsequently, the wage data for those two providers were included in the wage data that would be used to calculate the attaching wage index for CBSA 35644. We have revised the wage data for CBSA 35644 to exclude these data. This revision changed the wage indexes for providers reclassified to CBSA 35644.

The following lists the OPSS providers with Medicare Geographic Classification Review Board (MGCRB) reclassifications and their revised wage index values for the second half of FY 2010 (April 1, 2010 – September 30, 2010) (Note: Contractors were instructed in a separate JSM/TDL to update the OPSF with the following providers' special wage index):

Provider #	Special Wage Index effective 1/1/2010 – 12/31/2010
070015	1.2673
070033	1.2673
310002	1.2745
310009	1.2745
310015	1.2745
310017	1.2745
310038	1.2745
310039	1.2745
310054	1.2745
310070	1.2745
310076	1.2745
310083	1.2745
310096	1.2745
310108	1.2745
310119	1.2745
330027	1.2916
330167	1.2916
330181	1.2916
330182	1.2916
330198	1.2916
330225	1.2916
330259	1.2916
330331	1.2916
330332	1.2916
330372	1.2916

- d. Contractors shall update the OPSF for CY 2010 TOPs. As instructed in JSM/TDL-10209, contractors shall enter a ‘Y’ in the TOPs Indicator field within the OPSF for all providers that previously had a ‘Y’ in the TOPs Indicator field for CY 2009. Contractors are also instructed to enter a ‘Y’ in the TOPs Indicator field for all SCHs and EACHs (Provider Type 16, 17, 21, or 22) regardless of the value in the Bed Size field for CY 2010.

4) IRF Updates

Sections 1886(j)(3)(C) and (D) of the Act require the increase factor to be reduced by 0.25 percentage point for FY 2010 and FY 2011. In accordance with paragraph (p) of section 3401 of the ACA, the adjusted FY 2010 market basket increase factor is only applied to discharges on or after April 1, 2010. Thus, we revised the FY 2010 IRF Federal prospective payment rates for all IRF discharges occurring on or after April 1, 2010 to reflect an adjusted market basket increase factor of 2.25 percent, instead of the 2.5 percent market basket increase factor for FY 2010 that was published in the FY 2010 IRF PPS final rule (74 FR 39778). Revising the market basket increase factor for FY 2010 from 2.5 percent to 2.25 percent changes the FY 2010 standard payment conversion factor from the \$13,661 that was published in the FY 2010 IRF PPS final rule (74 FR 39780) to \$13,627.

In order to maintain estimated outlier payments in FY 2010 at the percentage adopted in our FY 2010 final rule, we revise the IRF outlier threshold amount for FY 2010 from \$10,652 that was published in the FY 2010 IRF PPS final rule (74 FR 39788) to \$10,721 for FY 2010 IRF discharges occurring on or after April 1, 2010. The outlier threshold amount of \$10,652 continues to apply for IRF discharges occurring on or after October 1, 2009 through March 31, 2010.

II. BUSINESS REQUIREMENTS TABLE

“Shall” denotes a mandatory requirement.

Number	Requirement	Responsibility (place an “X” in each applicable column)								
		A / B M A C	D M E M A C	F I	C A R I E R	R H H I	Shared-System Maintainers			
					F I S S	M C S	V M S	C W F		
7029.1	FISS shall install and pay claims with the updated FY 2010 IPPS Pricer for discharges on or after October 1, 2009.						X			
7029.2	FISS shall install and pay claims with the updated RY 2010 LTCH Pricer for discharges on or after October 1, 2009.						X			
7029.3	FISS shall install and pay claims with the updated CY 2010 OPPS Pricer for claims with dates of service on or after January 1, 2010.						X			
7029.4	FISS shall install and pay claims with the updated FY 2010 IRF Pricer for discharges on or after October 1, 2009.						X			

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7029.5	Contractors shall update relevant portions of the provider specific file in accordance with Policy section of this CR.	X		X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7029.6	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" 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 one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X							

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirement:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s):

Sarah Shirey-Losso at sarah.shirey-losso@cms.hhs.gov or 410-786-0187

Joe Bryson at joseph.bryson@cms.hhs.gov or 410-786-2986

Post-Implementation Contact(s): Regional Office

http://www.cms.hhs.gov/RegionalOffices/01_Overview.asp

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:

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

Section B: 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

Attachment A

Provider #	Special Wage Index effective 10/1/2009
010150	0.8454
020008	1.2747
050549	1.5033
060075	1.1061
070001	1.2486
070005	1.2486
070006	1.2695
070010	1.2695
070016	1.2486
070017	1.2486
070018	1.2695
070019	1.2486
070022	1.2486
070028	1.2695
070031	1.2486
070034	1.2695
070036	1.2886
070039	1.2486
150034	1.0383
160040	0.8910
160064	0.9756
160067	0.8910
160110	0.8910
190218	0.8465
220046	1.1577
230003	0.9900
230004	0.9900
230013	1.0672
230019	1.0672
230020	1.0023
230024	1.0023
230029	1.0672
230036	1.0672
230038	0.9900
230053	1.0023
230059	0.9900
230066	0.9900

Provider #	Special Wage Index effective 10/1/2009
230071	1.0672
230072	0.9900
230089	1.0023
230097	0.9900
230104	1.0023
230106	0.9900
230130	1.0672
230135	1.0023
230146	1.0023
230151	1.0672
230165	1.0023
230174	0.9900
230176	1.0023
230207	1.0672
230236	0.9900
230254	1.0672
230269	1.0672
230270	1.0023
230273	1.0023
230277	1.0672
250002	0.8462
250078	0.8462
250122	0.8462
270002	0.8916
270012	0.8916
270032	0.9021
270057	0.9021
310021	1.2769
310028	1.2769
310050	1.2769
310051	1.2769
310060	1.2769
310115	1.2769
310120	1.2769
330023	1.2930
330049	1.2930
330067	1.2930
330106	1.4062
330126	1.2930
330135	1.2930

Provider #	Special Wage Index effective 10/1/2009
330205	1.2930
330264	1.2718
340002	0.9321
350002	0.8360
350003	0.8360
350006	0.8360
350015	0.8360
350019	0.8360
380090	1.2299
390001	0.9813
390003	0.9813
390045	0.9813
390072	0.9813
390095	0.9813
390119	0.9813
390137	0.9813
390169	0.9813
390192	0.9813
390237	0.9813
390270	0.9468
430005	1.0279
430008	0.9040
430013	0.9040
430015	0.9040
430048	0.9040
430060	0.9040
470003	1.1577
490001	0.8323
530015	1.0746

Attachment B

Provider #	Special Wage Index effective 10/1/2009 - 09/30/2010	Special Wage Index effective 10/1/2010 - 12/31/2010
010150	0.8454	0.7516
020008	1.2747	1.1920
050549	1.5033	1.2216
060075	1.1061	0.9923
070001	1.2486	1.2486
070005	1.2486	1.2486
070010	1.2691	1.2651
070016	1.2486	1.2486
070017	1.2486	1.2486
070019	1.2486	1.2486
070022	1.2486	1.2486
070028	1.2691	1.2651
070031	1.2486	1.2486
070039	1.2486	1.2486
150034	1.0383	1.0383
160040	0.8910	0.8564
160064	0.9756	0.9261
160067	0.8910	0.8564
160110	0.8910	0.8564
190218	0.8465	0.8465
220046	1.1577	1.0735
230003	0.9900	0.9369
230004	0.9900	0.9830
230013	1.0672	1.0672
230019	1.0672	1.0672
230020	1.0023	1.0023
230024	1.0023	1.0023
230029	1.0672	1.0672
230036	1.0672	0.9176
230038	0.9900	0.9369
230053	1.0023	1.0023
230059	0.9900	0.9369
230066	0.9900	0.9830
230071	1.0672	1.0672
230072	0.9900	0.9369
230089	1.0023	1.0023

Provider #	Special Wage Index effective 10/1/2009 - 09/30/2010	Special Wage Index effective 10/1/2010 - 12/31/2010
230097	0.9900	0.9293
230104	1.0023	1.0023
230106	0.9900	0.9369
230130	1.0672	1.0672
230135	1.0023	1.0023
230146	1.0023	1.0023
230151	1.0672	1.0672
230165	1.0023	1.0023
230174	0.9900	0.9369
230176	1.0023	1.0023
230207	1.0672	1.0672
230236	0.9900	0.9369
230254	1.0672	1.0672
230269	1.0672	1.0672
230270	1.0023	1.0023
230273	1.0023	1.0023
230277	1.0672	1.0672
250002	0.8462	0.7717
250122	0.8462	0.7717
270032	0.9021	0.8296
270057	0.9021	0.8296
310021	1.2412	1.1341
310028	1.24129	1.1341
310050	1.2765	1.2752
310051	1.24129	1.1341
310060	1.24129	1.1341
310115	1.24129	1.1341
310120	1.24129	1.1341
330049	1.2826	1.2515
330106	1.4062	1.2914
330126	1.2926	1.2914
330135	1.2674	1.1908
330205	1.2674	1.1908
330264	1.2718	1.1908
340002	0.9321	0.9082
350002	0.8360	0.7968
350003	0.8360	0.7968
350006	0.8360	0.7968
350015	0.8360	0.7968

Provider #	Special Wage Index effective 10/1/2009 - 09/30/2010	Special Wage Index effective 10/1/2010 - 12/31/2010
380090	1.2299	1.0974
390001	0.9813	0.8363
390003	0.9813	0.8363
390072	0.9813	0.8363
390095	0.9813	0.8363
390119	0.9813	0.8363
390137	0.9813	0.8363
390169	0.9813	0.8363
390192	0.9813	0.8363
390237	0.9813	0.8363
390270	0.9468	0.8363
430005	1.0279	0.8360
430015	0.9040	0.8360
430048	0.9040	0.8489
430060	0.9040	0.8360
470003	1.1577	1.0456
490001	0.8323	0.8101
530015	1.0746	0.9390