



Correction for Inpatient Medicare Part B Ancillary 12X Claims & Manual Updates

Related CR Release Date: October 10, 2024	MLN Matters Number: MM13810
Effective Date: April 1, 2025	Related Change Request (CR) Number: CR 13810
Implementation Date: April 7, 2025	Related CR Transmittal Number: R12887CP

Related CR Title: Correction to Editing for Inpatient Part B Ancillary 12X Claims When Part A Benefits Exhaust and Manual Updates for Billing of Inpatient Pre-Entitlement Days

Affected Providers

- Physicians
- Suppliers
- Hospitals
- Other providers billing Medicare Administrative Contractors (MACs) for hospital services they provide to Medicare patients

Action Needed

Make sure your billing staff knows about these updates:

- Editing correction for certain inpatient Part B ancillary 12X claims
- Processing of service dates outside the inlier portion of the stay with occurrence span code 70
- Billing provisions for all items and non-physician services inpatients receive

Background

Inpatients must receive all items and non-physician services directly from the hospital or billed through the hospital under arrangements. This provision applies to all hospitals, regardless of if they're subject to the Inpatient Prospective Payment System (IPPS). Under Part B, Medicare pays for the limited set of non-physician medical and other health services. See Section 10.2 of the [Medicare Benefit Policy Manual, Chapter 6](#).

Currently, the Common Working File:

- Performs edits to detect and prevent duplicate billing of non-physician outpatient services for an inpatient hospital admission in the same facility or in another facility
- Allows for bypassing this editing when the inpatient claim receives a cost outlier payment for inpatient Part B ancillary services billed on the 12X claim for dates of service after the patient exhausts Part A benefits

CR 13810 corrects:

- The editing to allow a bypass for the Part B ancillary 12X claim for situations where:
 - The patient exhausts their Part A benefits during the inpatient confinement
 - A cost outlier threshold is exceeded on the inpatient claim
 - The patient has no lifetime reserve days available
- Service dates outside the inlier portion of the stay when reported with occurrence span code 70 to allow processing for payment consideration

This CR also updates [Chapter 3](#) of the Medicare Claims Processing Manual (Pub. 100-04), Inpatient Hospital Billing, for instructions on billing pre-entitlement days. You can submit a bill containing charges for pre-entitlement days when a patient is admitted to an acute care hospital prior to their Medicare Part A entitlement effective date. You can't bill the patient or other people for days of care preceding entitlement except for days more than the outlier threshold.

You should follow these billing instructions:

- Report the original admission date form locator (FL 12)
- Enter the statement covered period from date (FL 06) equal to the effective date of Medicare coverage (Part A Entitlement Effective Date)
- Enter the statement covered period through date (FL 06) equal to the end date of the stay
- Report room & board (R&B) (FL 42) revenue codes (010X–016X). **Note:** Only include R&B charges for days the patient was entitled to Part A
- Report the covered days with value code 80 (FL 39–41) equal to the from and through date span
- Include all:
 - ICD-9/10 CM diagnosis codes (FL 66) since the admission date
 - ICD-9-CM or ICD-10-PCS surgical procedures (FL 74, 74a–e) performed since the admission date
 - Charges since admission date excluding room and board prior to the effective date of Medicare
- Enter the date of the patient's entitlement to Part A in the billing notes/remarks field of the claim form

Note: You can't bill claims with a discharge date equal to the Part A effective date as pre-entitlement claims. These guidelines only apply to bills for discharges and interim billing.

Your MAC will adjust inpatient Part B ancillary claims for the updated bypass criteria.

More Information

We issued [CR 13810](#) to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

Document History

Date of Change	Description
October 10, 2024	Initial article released.

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