CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1783	**Date: February 2, 2017**
	Change Request 9907

NOTE: This transmittal is no longer sensitive and is being re-communicated June 23, 2017. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

SUBJECT: Implementing FISS Updates to Accommodate Section 603 Bipartisan Budget Act of 2015 - Phase 2

I. SUMMARY OF CHANGES: An extract file of provider enrollment data that has been input via the A/B MAC (Part A) contractors will be generated out of PECOS and available for the FISS datacenters to load into the FISS claims system to populate the outpatient off-campus provider department's claims provider files so outpatient off-campus claims can be processed.

EFFECTIVE DATE: January 1, 2017
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 3, 2017

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	N/A

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. Background: Section 1833 (t) of the Social Security Act (the Act) as amended to the Act by §603 of the Bipartisan Budget Act of 2015, authorizes CMS to implement amended policies related to treatment of off-campus outpatient department(s) of a provider services.

Hospital providers are required to include all practice locations on the CMS 855A enrollment form. CMS has performed a re-validation process (March 25, 2011 – March 23, 2015) where in the last 4 years all hospital providers have completed an 855A enrollment form to either: 1) initially enroll in Medicare, 2) add a new practice location, or 3) revalidate its enrollment information. If a hospital claim is submitted with a service facility location that was not included on the CMS 855A enrollment form, it will be returned to the provider (RTP'd) until the CMS 855A enrollment form and claims processing system is updated.

B. Policy: Starting on January 1, 2017, off-campus outpatient department(s) of a provider services that fall under §603 of the Bipartisan Budget Act of 2015 are required to be correctly identified. Collection and retention of CMS 855 enrollment data has been cleared through a Paperwork Reduction Act Notice in the **Federal Register**. The authority for the various types of data to be collected is found in multiple sections of the Act and the Code of Federal Regulations, specifically in Sections 1816, 1819, 1833, 1834, 1842, 1861, 1866 and 1891 of the Act, and 42 CFR Chapter IV, Subchapter A.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9907.1	The Shared System Maintainer shall update the reason code “34978” that edits for the presence of the "PO" or "PN" modifiers on outpatient claims with TOB 013x and 014x with Dates of Service on or after 01/01/2017 when the service facility address is present on the claim to now edit with the following					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	conditions: 1) The matching new screen "603 PBD" field is a "Y" or "N"; and, 2) When the “603 PBD” is a “Y”, the "603 PBD exception" field is a blank, "4", or "5"; or, 3) When the “603 PBD” is an “N”, the "grandfathered PBD exception" is a blank or a "4".									
9907.1.1	The Shared System shall review all service lines to ensure that all have a "PO" or "PN" modifier when the service facility address is present. If all lines on the claim do not have a "PO" or "PN" modifier, the modified reason code "34978" shall fire and be set to "RTP".					X				
9907.2	The Shared System Maintainer shall not apply the inpatient deductible limit to coinsurance on drug line(s) with the "PN" modifier effective for line item dates of service 1/1/2017 and after.					X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
9907.3	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/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 sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's 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				

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
9907.1	See CR 9613 for the creation of Reason Code 34978.

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Fred Rooke, fred.rooke@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0