

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2137	Date: January 21, 2011
	Change Request 7207

SUBJECT: Certified Registered Nurse Anesthetist (CRNA) Services in a Method II Critical Access Hospital (CAH) Without a CRNA Pass-Through Exemption

I. SUMMARY OF CHANGES: Payment is currently being calculated for non-medically directed CRNA services in a Method II CAH without a CRNA pass-through exemption based on a 20 percent reduction of the fee schedule amount before deductible and coinsurance are calculated. This change request clarifies the payment calculation for these services.

EFFECTIVE DATE: July 1, 2007

IMPLEMENTATION DATE: July 5, 2011

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
R	4/250/250.3.3.2/Payment for Anesthesia Services by a CRNA (Method II CAH only)

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):

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:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

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SUBJECT: Certified Registered Nurse Anesthetist (CRNA) Services in a Method II Critical Access Hospital (CAH) Without a CRNA Pass-Through Exemption

Effective Date: July 1, 2007

Implementation Date: July 5, 2011

I. GENERAL INFORMATION

A. Background: Certified registered nurse anesthetists rendering services in a Method II CAH have the option of reassigning their billing rights to the CAH. When the billing rights are reassigned to the Method II CAH, payment is made to the CAH for anesthesia services submitted on type of bill 85X with revenue code 964 (anesthesiologist (CRNA)).

Payment is currently being calculated for non-medically directed CRNA services in a Method II CAH **without** a CRNA pass-through exemption based on a 20 percent reduction of the fee schedule amount before deductible and coinsurance are calculated. This change request clarifies the payment calculation for these services.

B. Policy: Section 1833(1)(H) of the Social Security Act states that the amounts paid for a CRNA shall be 80 percent of the least of the actual charge or fee schedule amount.

Services furnished by a CRNA are subject to the Part B deductible and coinsurance.

Section 1834(g)(2)(B) of the Social Security Act (the Act) states that professional services included within outpatient CAH services, shall be paid 115 percent of such amounts as would otherwise be paid under this part if such services were not included in the outpatient CAH services.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
		M A C	M A C				F I S S	M C S	V M S	C W F	
7207.1	For dates of service on or after July 1, 2007, contractors shall pay for CRNA anesthesia services (CPT codes 00100 through 01999) submitted by a Method II CAH without a CRNA pass-through exemption on TOB 85X with revenue code 964 and modifier QZ (CRNA service without medical direction by a physician) based on the lesser of the actual charges or the fee						X				

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
		M A C	M A C				F I S S	M C S	V M S	C W F	
	<p>schedule amount as follows:</p> <p>(Sum of base units plus time (anesthesia time divided by 15)) times conversion factor minus (deductible and coinsurance) times 1.15</p> <p>NOTE: A CRNA Indicator (CRNAI) of 'Y' on the provider file indicates that the CAH does not have a CRNA pass-through exemption.</p>										
7207.2	Contractors shall not search for and adjust claims that have been paid prior to the implementation date. However, contractors shall adjust claims brought to their attention.	X		X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
		M A C	M A C				F I S S	M C S	V M S	C W F	
7207.3	<p>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.</p> <p>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.</p>	X		X							

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact(s): Susan Guerin at susan.guerin@cms.hhs.gov or 410-786-6138

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*:

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.

250.3.3.2 - Payment for Anesthesia Services by a CRNA (Method II CAH only)

(Rev 2137.Issued: 01-21-11, Effective: 07-01-07, Implementation: 07-05-11)

Provider Billing Requirements for Method II Receiving the CRNA Pass-Through

TOB = 85X

Revenue Code 037X = CRNA technical service

Revenue Code 0964 = CRNA professional service

HCPCS Code = Anesthesia HCPCS code (00100 through 01999 HCPCS range)

Units = Anesthesia

Reimbursement

Revenue Code 037X, CRNA technical service = cost reimbursement

Revenue Code 0964, CRNA professional service = cost reimbursement

Deductible and coinsurance apply.

Provider Billing Requirements for Method II CRNA – Gave up Pass-Through Exemption (or never had exemption)

TOB = 85X

Revenue Code = 037X for CRNA technical service

Revenue Code = 0964 for CRNA professional service

Reimbursement – *For dates of service on or after July 1, 2007*

Revenue Code 037X for CRNA technical service = cost reimbursement

Revenue Code 0964 for CRNA professional service = *based on 100 percent of the allowed amount when* not medically directed or *50 percent of the allowed amount when* medically directed.

Providers bill a “QZ” modifier for non-medically directed CRNA services. Deductible and coinsurance apply.

How to calculate payment for anesthesia claims based on the formula – *For dates of service on or after July 1, 2007*

Identify anesthesia claims by HCPCS code range from 00100 through 01999

Non-medically directed CRNA

(Sum of base units plus time (anesthesia time divided by 15)) times conversion factor minus (deductible and coinsurance) times 1.15

Medically directed CRNA

(Sum of base units plus time (anesthesia time divided by 15)) times conversion factor times medically directed reduction (50 %) minus (deductible and coinsurance) times 1.15

Reimbursement – *For dates of service prior to July1, 2007*

Revenue Code *037X* for CRNA technical service = cost reimbursement

Revenue Code *0964* for CRNA professional service = 115% times 80% (not medically directed) or 115% times 50% (medically directed) of allowed amount (Use Anesthesia formula) for outpatient CRNA professional services.

Providers a “QZ” modifier for non-medically directed CRNA services. Deductible and coinsurance apply.

How to calculate payment for anesthesia claims based on the formula - *For dates of service prior to July 1, 2007*

Add the anesthesia code base unit and time units. The time units are calculated by dividing actual anesthesia time (Units field on the UB92) by 15. Multiply the sum of base and time units by the locality specific anesthesia conversion factor (file name below).

The Medicare program pays the CRNA 80% of this allowable charge when not medically directed. Deductible and coinsurance apply.

If the CRNA is medically directed, pay 50% of the allowable charge. Deductible and coinsurance apply.

Base Formula

Number of minutes divided by 15, plus the base units = Sum *of base units and time*

Sum *of base units and time* times the conversion factor = allowed amount

Source

Number of minutes = Number of units on the claim (Units field of the *UB04*) Base Units
= Anesthesia HCPCS

Conversion Factor = File – MU00.@BF12390.MPFS.CYXX.ANES.V1023