CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2464	**Date: May 4, 2012**
	Change Request 7383

NOTE: Transmittal 2299, dated September 8, 2011, is being rescinded and replaced by Transmittal 2464, dated May 4, 2012 to change the effective and implementation dates for VMS. All other information remains the same.

SUBJECT: Enhance the Multi-Carrier System (MCS) and ViPS Medicare System (VMS) to maintain five full years of pricing data and to automatically price claims/adjustments at the rates in effect at the dates of service.

I. SUMMARY OF CHANGES: CMS is requiring claims processors to maintain at least the current and previous four years of fee schedule data (five years total), regardless of the number of updates and/or pricing periods within those five years. MCS and VMS shall continue pricing claims/adjustments from the appropriate schedule for the date(s) of service, or the oldest available schedule if a service was rendered prior to the dates that the oldest available schedule was in effect.

EFFECTIVE DATE: October 1, 2011 (MCS) and October 1, 2012 (VMS)
IMPLEMENTATION DATE: October 3, 2011 (MCS implementation; VMS analysis and design)
October 1, 2012 (VMS implementation)

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	12/20.6 Update Factor for Fee Schedule Services
R	20/20.5 Online Pricing Files for DMEPOS

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:

Business Requirements

Manual Instruction

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

Attachment – Business Requirements

Pub. 100-04	Transmittal: 2464	May 4, 2012	Change Request: 7383

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SUBJECT: Enhance the Multi-Carrier System (MCS) and ViPS Medicare System (VMS) to maintain five full years of pricing data and to automatically price claims/adjustments at the rates in effect at the dates of service

Effective Dates: October 1, 2011 (MCS) and October 1, 2012 (VMS)

Implementation Dates: October 3, 2011 (MCS implementation; VMS analysis and design)
October 1, 2012 (VMS implementation)

I. GENERAL INFORMATION

A. Background: CMS historically mandated that Part B and DME claims processing contractors maintain current and prior year fee schedules. After July 1, 2003, contractors were required to maintain the current pricing period and at least four prior pricing periods (five in total). If a service was rendered prior to the date that the oldest schedule was in effect, contractors were to pay the claim based on the oldest data available.

B. Policy: CMS is creating a new minimum standard that requires claims processing contractors to maintain the current year and four prior calendar years of pricing data, regardless of the number of updates or pricing periods within those five years. In addition, the shared claims processing systems shall automatically price claims/adjustments using the fee schedule in use as of the dates of service on the claim. The systems shall continue pricing from the earliest available schedule if the dates of service precede that schedule; this policy does not change normal timely filing requirements or the extremely limited circumstances in which waivers to those requirements can be granted.

This Change Request only applies to MCS and VMS; the Fiscal Intermediary Shared System (FISS) currently retains sufficient fee schedules to meet the new standard.

II. BUSINESS REQUIREMENTS TABLE

Use of "Shall" denotes a mandatory requirement

Number	Requirement	Responsibility ("X" indicates the columns that apply)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	

Number	Requirement	Responsibility ("X" indicates the columns that apply)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7383.1	Claims processing contractors shall maintain at least five full calendar years of fee schedules (physician, laboratory, ambulance, DMEPOS, PEN, etc.) and related pricing data, regardless of the number of updates/pricing periods.	X	X		X			X	X		
7383.2	If necessary, claims processing contractors/data centers shall retrieve and load historic fee schedules and supporting files from the CMS mainframe and/or EDC archives, as appropriate.	X	X		X			X	X		EDCs
7383.3	MCS and VMS shall automatically price claims/adjustments based on the fee schedule or other pricing mechanism (i.e., reasonable charge) that was in effect as of the date(s) of service on the claim. This requirement does not change timely filing requirements for newly submitted claims.							X	X		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility ("X" indicates the columns that apply)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	None.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements: N/A

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): LCDR Terrence Lew, USPHS (terrence.lew@cms.hhs.gov or 410-786-9213) Alpheus J. Parkes (alpheus.parkes@cms.hhs.gov or 410-786-0282)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

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.

Medicare Claims Processing Manual
Chapter 12 - Physicians/Nonphysician Practitioners

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(Rev.2464, Issued: 05-04-12)

20.6 – Update Factor for Fee Schedule Services
(Rev.2464, Issued: 05-04-12, Effective: 10-01-11-MCS/10-01-12-VMS, Implementation: 10-03-11-MCS, VMS Analysis and Design /10-01-12-VMS implementation)

The CMS provides updates to the MPFSDB and other fee schedules annually or as otherwise necessary. Claims processing contractors must maintain at least five full calendar years of fee schedules and related pricing data (i.e., the current and four prior calendar years), regardless of the number of updates or pricing periods within those five years.

Medicare Claims Processing Manual
Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)

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20.5 – Online Pricing Files for DMEPOS
(Rev.2464, Issued: 05-04-12, Effective: 10-01-11-MCS/10-01-12-VMS, Implementation: 10-03-11-MCS, VMS Analysis and Design /10-01-12-VMS implementation)

The CMS provides updates to the DMEPOS fee schedule and related schedules annually or as otherwise necessary. Claims processing contractors must maintain at least five full calendar years of fee schedules and related pricing data (i.e., the current and four prior calendar years), regardless of the number of updates or pricing periods within those five years.