

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1455	Date: January 30, 2015
	Change Request 9042

SUBJECT: Corrections to Processing Service Facility Information on Hospice Claims

I. SUMMARY OF CHANGES: Medicare Administrative Contractors (MACs) have reported that the standard system is incorrectly replacing the billing facility ZIP code with the service facility location ZIP code, resulting in inaccurate billing provider information and incorrect payments. The hospice benefit does not make payment based on the service facility location, and this instruction will require the standard system to correctly use the billing facility location and not to replace the billing facility location with the service facility location.

EFFECTIVE DATE: January 1, 2014

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

IMPLEMENTATION DATE: July 6, 2015

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: In compliance with the Health Insurance Portability and Accountability Act (HIPAA), the Centers for Medicare & Medicaid Services (CMS) issued instructions for optional reporting beginning January 1, 2014, and mandatory reporting effective April 1, 2014, for hospice agencies billing Medicare for services provided in a facility other than their billing location to report the facility location information in the 5010 electronic claim transaction loop 2310 E. Under the requirements of the 5010 electronic claim this field has situational usage and must be reported when appropriate. For hospice claims, this data is informational only and not used for payment purposes. The Medicare Administrative Contractors (MACs) that process hospice claims have reported the Medicare shared system is applying the service facility location ZIP code to the billing facility record, resulting in inaccurate billing provider information and inaccurate payments for some physician services. This instruction requires the Medicare shared system to stop using the service facility location for the billing facility. Contractors are required to correct provider records and claim payments when an error is brought to their attention by the billing facility within 6 months of the implementation date of this instruction. Contractors may override timely-filing as necessary to correct claims.

B. Policy: No change in policy.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
9042.1	The contractor shall ensure that on hospice claims (Types of Bill 081x and 082x) the service facility ZIP code reported in data element N403 of loop 2310E does not replace the billing provider ZIP code reported in loop 2010AA.					X					
9042.2	The contractor shall ensure that on hospice claims the service facility location ZIP code is not moved into value code 78.					X					
9042.3	For claims with dates of service from January 1, 2014, through the implementation of this CR, Contractors shall correct provider records and claims as necessary			X							

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	for correct payment when brought to their attention by a facility within 6 months from the implementation date of this instruction.									
9042.3.1	Contractors shall override timely-filing as necessary to correct payments when adjusting claims at the request of the provider.			X						
9042.4	The contractor shall ensure consistency with the electronic claim transaction that the service facility location data is only required situationally in Direct Data Entry (DDE). For hospice claims it is required in situations instructed in Change Request 8358, requirement 4.				X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
9042.5	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 1 week of the availability of the provider education 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: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
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Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Wendy Tucker, wendy.tucker@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