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| <b>CMS Manual System</b>                     | <b>Department of Health &amp; Human Services (DHHS)</b>   |
| <b>Pub 100-04 Medicare Claims Processing</b> | <b>Centers for Medicare &amp; Medicaid Services (CMS)</b> |
| <b>Transmittal 1425</b>                      | <b>Date: February 1, 2008</b>                             |
|  | <b>Change Request 5891</b>                                |

**Subject: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2008 for 2 Core Based Statistical Areas (CBSAs) with New Wage Index Values -- Correction**

**I. SUMMARY OF CHANGES:** CMS has determined that in the process of developing the most recent hospital wage index, an inpatient hospital provider was inadvertently assigned to the wrong Core-Based Statistical Area (CBSA). This provider was incorrectly located in CBSA 16180 (Carson City, NV) instead of CBSA 39900 (Reno-Sparks, NV). Accordingly, we are revising the wage index values for CBSA 16180 Carson City, NV from 0.9353 to the corrected value of 1.0003. Similarly, we are revising the wage index value for CBSA 39900 Reno-Sparks, NV from 1.0959 to the corrected value of 1.0715

New / Revised Material  
 Effective Date: January 1, 2008  
 Implementation Date: January 14, 2008

*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   |  |

**III. FUNDING:**

**SECTION A:** For Fiscal Intermediaries and 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.

#### **IV. ATTACHMENTS:**

##### **One-Time Notification**

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

# Attachment – One-Time Notification

|                    |                          |                               |                             |
|--------------------|--------------------------|-------------------------------|-----------------------------|
| <b>Pub. 100-04</b> | <b>Transmittal: 1425</b> | <b>Date: February 1, 2008</b> | <b>Change Request: 5891</b> |
|--------------------|--------------------------|-------------------------------|-----------------------------|

**SUBJECT: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2008 for 2 Core Based Statistical Areas (CBSAs) with New Wage Index Values**

**Effective Date:** January 1, 2008

**Implementation Date:** January 14, 2008

**I. GENERAL INFORMATION**

This attachment provides information on the updates to the wage index values for the two areas listed below:

| CBSA                  | Old Value | New Value |
|-----------------------|-----------|-----------|
| 16180 Carson City, NV | 0.9353    | 1.0003    |
| 39900 Reno-Sparks, NV | 1.0959    | 1.0715    |

**A. Background:** CMS has determined that in the process of developing the most recent hospital wage index, an inpatient hospital provider was inadvertently assigned to the wrong Core-Based Statistical Area (CBSA). This provider was incorrectly located in CBSA 16180 (Carson City, NV) instead of CBSA 39900 (Reno-Sparks, NV). Accordingly, we are revising the wage index values for CBSA 16180 Carson City, NV from 0.9353 to the corrected value of 1.0003. Similarly, we are revising the wage index value for CBSA 39900 Reno-Sparks, NV from 1.0959 to the corrected value of 1.0715

**B. Policy:** The Centers for Medicare and Medicaid Services (CMS) published the SNF payment rates for FY 2008 (that is, beginning October 1, 2007 through September 30, 2008), in the Federal Register on August 3, 2007 (72 FR 43412). CMS published a Correction Notice to the SNF payment rates for FY 2008 on September 28, 2007 (72 FR 55085). The changes to the wage index values for the two areas mentioned above are effective January 1, 2008 and were published in a Correction Notice in the Federal Register dated November 30, 2007 (72 FR 67652).

**II. BUSINESS REQUIREMENTS TABLE**

*Use "Shall" to denote a mandatory requirement*

| Number | Requirement   | Responsibility (place an "X" in each applicable column) |             |        |                                 |                       |             |                           |             |             |             |       |            |
|--------|---|---|-------------|--------|---------------------------------|-----------------------|-------------|---------------------------|-------------|-------------|-------------|-------|------------|
|        |   | A<br>/<br>B   | D<br>M<br>E | F<br>I | C<br>A<br>R<br>R<br>I<br>E<br>R | D<br>M<br>E<br>R<br>C | R<br>H<br>I | Shared-System Maintainers |             |             |             | OTHER |            |
|        |   |   |             |        |                                 |                       |             | F<br>I<br>S<br>S          | M<br>C<br>S | V<br>M<br>S | C<br>W<br>F |       |            |
| 5891.1 | Medicare systems shall install the updated SNF PPS Pricer version 5891.   |   |             |        |                                 |                       |             | X                         |             |             |             |       | SNF Pricer |
| 5891.2 | Medicare contractors shall adjust previously processed claims affected by the CBSA value changes for CBSA codes 16180 and 39900 effective for claims with discharge dates on or | X   |             | X      |                                 |                       |             |                           |             |             |             |       |            |

| Number | Requirement  | Responsibility (place an "X" in each applicable column) |                                |        |                                 |                       |                  |                           |             |             |             |       |  |
|--------|--|---|--------------------------------|--------|---------------------------------|-----------------------|------------------|---------------------------|-------------|-------------|-------------|-------|--|
|        |  | A<br>/<br>B<br><br>M<br>A<br>C                          | D<br>M<br>E<br><br>M<br>A<br>C | F<br>I | C<br>A<br>R<br>R<br>I<br>E<br>R | D<br>M<br>E<br>R<br>C | R<br>H<br>H<br>I | Shared-System Maintainers |             |             |             | OTHER |  |
|        |  |   |                                |        |                                 |                       |                  | F<br>I<br>S<br>S          | M<br>C<br>S | V<br>M<br>S | C<br>W<br>F |       |  |
|        | after January 1, 2008.   |   |                                |        |                                 |                       |                  |                           |             |             |             |       |  |
| 5891.3 | Providers in these CBSAs will need to split their billing if the through date crosses January 1, 2008. | X   |                                | X      |                                 |                       |                  |                           |             | X           |             |       |  |

### III. PROVIDER EDUCATION TABLE

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

### IV. SUPPORTING INFORMATION

**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: |
|--------------------------|--|
| N/A                      |  |

**B. For all other recommendations and supporting information, use this space:** N/A

### V. CONTACTS

**Pre-Implementation Contact(s):** Jeanette Kranacs, (410) 786-9385 or [Jeanette.Kranacs@cms.hhs.gov](mailto:Jeanette.Kranacs@cms.hhs.gov)

**Post-Implementation Contact(s):** Regional Office  
[http://www.cms.hhs.gov/RegionalOffices/01\\_Overview.asp](http://www.cms.hhs.gov/RegionalOffices/01_Overview.asp)

## **VI. FUNDING**

**A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**B. For Medicare Administrative Contractors (MAC), use the following statement:**

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). 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.