



# TRAUMA CENTER

Association of America

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May 30, 2017

Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

Re: Cost Center Table, pg. 19867 of Federal Register 2018 IPPS Rule

Dear Administrator Verma:

The Trauma Centers Association of America is a non-profit trade association for trauma centers. Our mission is to secure the viability of America's Trauma Centers and foster a sustainable national system of trauma care. TCAA is the premier source for trauma center information on operations, advocacy, finance, and systems.

We are submitting comment to CMS regarding the mapping of the revenue codes to the 19 cost centers used in the Inpatient Prospective Payment System (IPPS) rate setting. This is in the Cost Center Table on pg. 19867 in the proposed 2018 IPPS rule published on April 28, 2017.

TCAA is concerned that CMS groups the 068x revenue code series for trauma center activation fees and expense with the "other" category. This category appears to be a "catch all" and does not accurately or adequately associate trauma expense properly in the IPPS rate setting process.

TCAA asks CMS to revise the mapping of 068x from the "other" cost grouping to the "emergency department" cost group which currently includes only 045x. TCAA notes that the expense and revenue associated with trauma activations when billed with the revenue code 068x series more closely aligns with the Emergency Department cost grouping than it does with the revenue codes and expense in the "other" group. TCAA notes that CMS makes this alignment in the Outpatient Prospective Payment System (OPPS) in that charges billed with revenue code 068x are associated with the emergency department cost center along with 045x. TCAA does not understand why the two payment systems are different with regard to trauma.

We ask that CMS make this change for IPPS rate setting. A basic premise of claims and cost reporting also supports this request - the two main citations concerning charges occur in the Provider Reimbursement Manual and are copied below. These two citations regarding charges and expense are a basic premise of correct cost reporting. The first citation states that charges should be consistently related to the cost of the service and uniformly applied to all patients, whether inpatient or outpatient. The second citation states that charges are to be consistently and reasonably related to cost of providing services. Therefore, the cost of trauma activations represented with revenue code 068x charges are required to be consistent between inpatients and outpatients. The requirement to bill revenue code 068x is that there is pre-hospital notification, usually via the Emergency Department, for a trauma patient's arrival. The trauma team initially performs their life saving services in the Emergency Department before transferring the patient to the operating room or ICU. Therefore, when CMS determined trauma revenue more closely aligns to the emergency department for the OPPS rate setting process, then that same alignment and decision logically holds true for inpatients. TCAA strongly believes trauma activation charges billed with revenue code 068x should be aligned with both trauma and emergency expense.

**CMS Provider Reimbursement Manual 1, Chapter 22, Section 2202.4 Charges**--Charges refer to the regular rates established by the provider for services rendered to both beneficiaries and to other paying patients. Charges should be related consistently to the cost of the services and uniformly applied to

all patients whether inpatient or outpatient. All patients' charges used in the development of apportionment ratios should be recorded at the gross value; i.e., charges before the application of allowances and discounts deductions.

**CMS Provider Reimbursement Manual 1, Chapter 22, Section 2203 Charges**--To assure that Medicare's share of the provider's costs equitably reflects the costs of services received by Medicare beneficiaries, the intermediary, in determining reasonable cost reimbursement, evaluates the charging practice of the provider to ascertain whether it results in an equitable basis for apportioning costs. So that its charges may be allowable for use in apportioning costs under the program, each facility should have an established charge structure which is applied uniformly to each patient as services are furnished to the patient and which is reasonably and consistently related to the cost of providing the services. While the Medicare program cannot dictate to a provider what its charges or charge structure may be, the program may determine whether or not the charges are allowable for use in apportioning costs under the program.

Sincerely,



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