

Data Element Name	Picture	Location	Comment
5-Date Fee Update	X(08)	23 - 30	YYYYMMDD
6-Filler	X(22)	31 - 52	
7-Date File Created	X(08)	53 - 60	YYYYMMDD

Data Record

Data Element Name	Picture	Location	Comment
1-HCPCS	X(05)	1 – 5	
2-Filler	X(04)	6 – 9	
3-60% Fee	9(05)V99	10 - 16	
4-62% Fee	9(05)V99	17 - 23	
5-Filler	X(07)	24 - 30	
6-Carrier Number	X(05)	31 - 35	
7-Carrier Locality	X(02)	36 - 37	00 = Single State Carrier 01 = North Dakota 02 = South Dakota 20 = Puerto Rico
8-State Locality	X(02)	38 - 39	Separate instructions will be used for the use of this field at a later date.
9-Filler	X(21)	40 - 60	

40.4 - Gap-Filled Fees Submitted to CMS by Carriers

(Rev. 1, 10-01-03)

AB-01-162, AB-02-163

In accordance with §531(b) of the Benefits Improvement and Protection Act of 2000 (BIPA), CMS solicits public comments on determining payment amounts for new laboratory tests. The CMS hosts an annual public meeting to allow parties the opportunity to provide input to the payment determination process. The CMS employs one of two approaches to establishing payment amounts for new laboratory test codes, crosswalking

and gap-filling. After considering public input regarding the new test codes, CMS determines which approach is most appropriate for each new test code.

If the new test is comparable to an existing test, the new test is “crosswalked” to the existing test, and it is assigned the local fee for the existing test and the corresponding NLA. The new test code and payment amounts are included in the updated laboratory fee schedule annually.

If CMS determines that the laboratory fee schedule includes no sufficiently comparable test to permit crosswalking, CMS instructs carriers to “gap-fill” the payment amount for the new test code. Gap-filling is an empirical process of determining a payment amount in a locality using available information sources. Usually the period during which gap-filled payment amounts are instructed is the year following the introduction of a new code. During this period, carriers establish and use these payment amounts; they may be revised in the course of the year. Also during this period, carriers must report the gap-fill amounts to their ROs which are then forwarded to CMS CO. The CMS considers the gap-fill amounts and uses them to establish the fees for the new test code in the next update of the laboratory fee schedule.

In determining gap-fill amounts, the sources of information carriers should examine, if available, include: charges for the test and routine discounts to charges; resources required to perform the test; payment amounts determined by other payers; and charges, payment amounts, and resources required for other tests that may be comparable or otherwise relevant. Carriers may consider other sources of information as appropriate, including clinical studies and information provided by clinicians practicing in the area, manufacturers, or other interested parties. To assist each carrier in establishing a gap-fill amount, carriers’ Medical Directors may meet and share information regarding the new test, though without reaching a formal consensus.

Establishing payment amounts for new laboratory tests is inherently difficult, precisely because these tests are new and as a result the types and extent of information available about them may be limited. Because the circumstances of different tests may vary significantly, specifying in detail a method of using the various information sources outlined above does not appear appropriate at this time. However, CMS designates a new test code for gap-filling in instances where no test code seems sufficiently similar to make a crosswalk approach appropriate. Accordingly, carriers should not determine a gap-fill amount by crosswalking to the payment amount for another test code.

After determining a gap-fill amount, a carrier may consider if a least costly alternative to a new test exists. If a carrier determines a least costly alternative test exists, the carrier may adopt the payment amount of the least costly alternative test as the gap-fill amount for the new test code. The least costly alternative amount will be considered the local fee, and CMS will use this payment amount in establishing the NLA. However in this case, the carrier must report two payment amounts, the gap-fill amount prior to determination of a least costly alternative and the payment amount that the carrier has determined to be the least costly alternative.

Carriers should also communicate the gap-fill amounts to corresponding intermediaries. Carriers can seek assistance from RO staff to facilitate communication of the gap-fill

amounts to intermediaries. The list of codes which carriers are required to gap-fill each year are communicated in the annual instructions.

Carriers provide their RO with gap-fill fees according to the date communicated by CMS (usually May), to be used by CMS-Central for the development of subsequent or later laboratory fee schedules. Carriers submit the gap-fill fees in a right-justified format. These gap-fill data should be transmitted in an ASCII file with the following file specifications to MStevenson@cms.hhs.gov with a copy to Agreenberg@cms.hhs.gov_ to assist with coordinated collection of the gap-fill fees.

Data Set Name: CLXXXXX.TXT* (ASCII File)

(*Denotes carrier 5 - digit number)

Gap-filled Fees Record Layout

Data Element Name	Picture	Location	Comment
Year	X(4)	1 - 4	Set to Year (e.g., 2003)
HCPCS Code	X(5)	5 - 9	
Modifier	X(2)	10 - 11	
Carrier Number	X(5)	12 - 16	
Locality	X(2)	17 - 18	00 = Denotes Single State Carrier 01 = North Dakota 02 = South Dakota 20 = Puerto Rico 40 = New Hampshire 50 = Vermont
Gap-fill Amount	9(5)V99	19 - 25	Prior to any determination of a least costly alternative
Least Costly Alternative Amount	9(5)V99	26-32	
Least Costly Alternative Code	X(5)	33-37	

40.4.1 - Carriers Forward HCPCS Gap Fill Amounts to Fiscal Intermediaries

(Rev. 1, 10-01-03)

CMS Memo 9-13-02 HCPCS Gap-fillR3.doc