| CMS Manual System | Department of Health & Human Services (DHHS) |
|---|---|
| Pub 100-20 One-Time Notification | Centers for Medicare & Medicaid Services (CMS) |
| **Transmittal 2094** | **Date: June 20, 2018** |
| | **Change Request 10602** |

**Transmittal 2055, dated April 27, 2018, is being rescinded and replaced by Transmittal 2094, dated, June 20, 2018 to remove business requirement 10602.4. All other information remains the same.**

**SUBJECT: Update to the Hospital Transfer Policy for Early Discharges to Hospice Care**

**I. SUMMARY OF CHANGES:** This Change Request (CR) will update the transfer policy as required by recent legislation for discharges occurring on or after October 1, 2018, when provided hospice care by a hospice program.

**EFFECTIVE DATE: October 1, 2018**
**Unless otherwise specified, the effective date is the date of service.*
**IMPLEMENTATION DATE: October 1, 2018**

***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

| Pub. 100-20 | Transmittal: 2094 | Date: June 20, 2018 | Change Request: 10602 |
|---|---|---|---|

**Transmittal 2055, dated April 27, 2018, is being rescinded and replaced by Transmittal 2094, dated, June 20, 2018 to remove business requirement 10602.4. All other information remains the same.**

**SUBJECT: Update to the Hospital Transfer Policy for Early Discharges to Hospice Care**

**EFFECTIVE DATE: October 1, 2018**
**Unless otherwise specified, the effective date is the date of service.*
**IMPLEMENTATION DATE: October 1, 2018**

## I. GENERAL INFORMATION

**A. Background:** Section 1886(d)(5)(J) of the Act provides for a postacute care transfer policy under the Inpatient Prospective Payment System (IPPS). The regulations that implement this policy at § 412.4 provide that when a patient is transferred to another hospital and his or her length of stay is less than the geometric mean length of stay for the Medicare Severity Diagnosis-Related Group (MS–DRG), the transferring hospital would be paid based on a graduated per diem rate for each day of stay, not to exceed the full MS–DRG payment. For discharges to certain postacute care settings, this per diem based payment adjustment is limited to discharges to certain MS-DRGs. Currently, the regulation limits postacute care transfers to those where the patient is transferred to a distinct part hospital unit, a skilled nursing facility, or discharged with a written plan for home health services commencing within 3 days of discharge.

**B. Policy:** Section 53109 of the Bipartisan Budget Act of 2018 modified the law to require that, beginning in FY 2019, discharges to hospice care would also qualify as a postacute care transfer and be subject to payment adjustments.

## II. BUSINESS REQUIREMENTS TABLE

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

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME MAC | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | | FISS | MCS | VMS | CWF | |
| 10602.1 | Contractors shall add hospice to the logic of edit and IUR 7272 to ensure a transfer to a hospice is included in the post acute transfer payment policy logic. | | | | | X | | | X | |
| 10602.2 | The contractor shall update the logic for the IPPS Pricer to set review code 09 when all of the following conditions are met:<br>• The patient status equals 50 or 51 AND<br>• Condition code 66 is NOT present AND<br>• The statement covers thru date is on or after 10/01/18 | | | | | X | | | | |
| 10602.3 | The contractor shall update the logic for the IPPS Pricer to set review code 11 when all of the following conditions are met: | | | | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME MAC | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | | FISS | MCS | VMS | CWF | |
| | • The patient status equals 50 or 51 AND<br>• Condition code 66 IS present AND<br>• The statement covers thru date is on or after 10/01/18 | | | | | | | | | |
| 10602.4 | CMS has deleted this business requirement. | | | | | X | | | | |

## III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | |
|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME MAC | CEDI |
| | | A | B | HHH | | |
| | None | | | | | |

## 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: |
|---|---|

**Section B: All other recommendations and supporting information: N/A**

## V. CONTACTS

**Pre-Implementation Contact(s):** Valeri Ritter, 410-786-8652 or valeri.ritter@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**