CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 838

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: FEBRUARY 6, 2006

Change Request 4310

SUBJECT: Corrections to Common Working File Editing of Home Health Prospective Payment System Claims Regarding Non-covered Episodes and Prior Inpatient Stays and Fiscal Intermediary Shared System Implementation of 2006 Therapy Code Update

I. SUMMARY OF CHANGES: This change request corrects the application of HH consolidated billing edits to non-covered HH episodes and refines CWF editing for prior inpatient stays on HH PPS significant change in condition claims. It also completes implementation of the 2006 therapy code update in FISS.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : Claims received on or after July 3, 2006

IMPLEMENTATION DATE : July 3, 2006

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

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 838	Date: February 6, 2006	Change Request 4310

SUBJECT: Corrections to Common Working File Editing of Home Health Prospective Payment System Claims Regarding Non-covered Episodes and Prior Inpatient Stays and Fiscal Intermediary Shared System Implementation of 2006 Therapy Code Update

I. GENERAL INFORMATION

A. Background: Medicare's Regional Home Health Intermediaries (RHHIs) have alerted CMS to two errors in home health prospective payment system (HH PPS) processing in the Common Working File (CWF) system. While these errors affect a small number of claims nationally, they can entirely prevent the affected claims from being processed to completion in Medicare systems. This Change Request (CR) provides requirements to correct both errors. Additionally, due to a scheduling error, changes to certain Fiscal Intermediary Shared System (FISS) edits to conform with the 2006 annual update to the therapy code list could not be made in January. This CR also provides requirements for these changes.

Incorrect Editing Against Non-covered HH PPS Episodes

In April 2002, Medicare systems began to process non-covered outpatient claims, including fully non-covered HH PPS episode claims, through the CWF. At that time, a systems requirement for processing non-covered HH PPS claims required that such claims would not cause the date of earliest billing activity (DOEBA) or the date of latest billing activity (DOLBA) to be populated on the corresponding CWF home health episode record. Since the DOEBA and DOLBA dates are used in HH consolidated billing edits, the purpose of this requirement was to ensure that these edits were bypassed if claims for services subject to consolidated billing were received for dates of service within the episode.

This requirement overlooked the fact that the DOEBA and DOLBA dates are used in HH consolidated billing edits only if the beneficiary was discharged from home health care. If the beneficiary continued to receive home health care (i.e., if the patient status code on the HH claim and associated episode record are "30" for "still patient"), then HH consolidated billing edits use the episode start and end dates instead. If a claim for a service on the list of services subject to consolidated billing were to edit against the start and end dates of a non-covered HH episode, that claim would be rejected by CWF in error. This CR creates new bypass logic in CWF to prevent this error. Requirements 4310.1 and 4310.2 describe this change.

Incorrect Identification of Prior Inpatient Stays

Medicare systems downcode HH PPS claims when the CWF identifies an inpatient hospital stay within 14 days of the start of a HH episode. The 14 days are determined by comparing the "From" date of the HH PPS claim to the "Through" date of the inpatient hospital claim. Currently, this edit check is applied whenever a claim has a Health Insurance Prospective Payment System (HIPPS) code on any line of the claim that indicates there was not a prior inpatient stay. HH PPS claims reporting a significant change in condition (SCIC), however, report more than one HIPPS code, and the edit check should only be applicable to the code with the earliest date (i.e., the payment group at the start of the episode).

An earlier CR, 3616, revised the Fiscal Intermediary Shared System (FISS) in an attempt to correct this problem. The RHHIs identified cases which the FISS correction alone does not resolve. A parallel change is needed to the CWF to fully resolve this error. Requirement 4310.3 provides this correction.

FISS Changes to Conform With the Annual Therapy Update

The annual update to CMS' list of therapy codes was published in CR 4226. This CR added HCPCS/CPT code 0019T to the CY2006 therapy code list as a "sometimes" therapy service, replacing HCPCS/CPT codes G0279 and G0280, which had been deleted. The CR also required Medicare contractors to change any edits that are not consistent with the policies or list of codes. Revisions to FISS to complete these actions could not be scheduled in January 2006 and are required by requirements 4310.4 and 4310.5 below.

B. Policy: No Medicare policies are changing with this Change Request. The requirements below ensure that systems editing conforms more accurately to longstanding policy.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4310.1	Medicare systems shall update the patient status code on home health episode records when processing fully non-covered HH PPS claims.								X	
4310.2	Medicare systems shall bypass home health consolidated billing edits when the patient status code on a home health episode record is '30' (still patient) and the DOEBA and DOLBA dates are blank.								X	
4310.3	Medicare systems shall identify claims for downcoding if the earliest dated revenue code 0023 line indicates no hospital discharge, and a hospital claim is found within 14 days.								X	
4310.4	FISS shall add HCPCS/CPT code 0019T to the CY2006 therapy code list as a "sometimes" therapy service.					X				

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4310.5	FISS shall revise any edits to be consistent with the policies outlined in CR 4226.					X				

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	None.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
4310.1	'Claims' in this requirement includes final HH episode claims and no-RAP LUPA claims.
4310.5	These changes will include revisions to edits requiring occurrence codes 35, 44, and 45 on claims for therapy services.

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
4310.3	This requirement revises current CWF edit C7274. All other criteria for edit C7274 that are not altered by the requirement shall not be changed.

C. Interfaces: The FISS response to CWF edit C7274 shall not be changed.

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: Contractors may need to coordinate with their CWF hosts to establish non-covered HH episode records for test beneficiaries in order to test requirements 4310.1 and 4310.2.

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: Claims received on or after July 3, 2006 **Implementation Date:** July 3, 2006 **Pre-Implementation Contact(s):** Wil Gehne (410) 786-6148 and Yvonne Young (410) 786-1886. **Post-Implementation Contact(s):** Regional Offices	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.**

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