

Related Change Request (CR) #: 3015

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Effective Date: January 1, 2004

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MMA-Changes in Transitional Outpatient Payment (TOP) for 2004

IMPORTANT NOTE: MM3214 clarifies the policy and business requirements in this instruction relating to changes in the hospital Outpatient Prospective Payment System (OPPS) for services furnished during calendar years 2004 and 2005 and revises the method for determining whether a hospital is considered rural for purposes of Transitional Outpatient Payments (TOPs). It is very important to read the bold printed portions of MM3214 to see the clarifications. To see MM3214, go to:

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/MM3214.pdf> .

Provider Types Affected

Hospitals subject to the Outpatient Prospective Payment System (OPPS); Community Mental Health Centers (CMHCs)

Provider Action Needed

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) discontinues TOPs payments for 2004 for many facilities paid under the Hospital Outpatient Prospective Payment System (OPPS).

Background

The information in this One Time Notification supersedes Transmittal 15 (CR 2908) that was issued on October 31, 2003. It reflects changes resulting from enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 on December 8, 2003.

As of January 1, 2004, TOPs are being discontinued for:

- All community mental health centers (CHMCs); and
- All hospitals **except** rural hospitals having 100 or fewer beds, sole community hospitals that are located in rural areas, and cancer hospitals and children's hospitals as described in sections 1886(d)(1)(B) (iii) and (v).

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Also, where TOPs payments **are being discontinued**, one last interim TOP will be paid in January 2004 for services furnished thru December 31, 2003.

Fiscal intermediaries (FIs) have been directed to permanently continue to hold harmless TOP interim payments for cancer hospitals and children's hospitals in accordance with the provisions of the Statute.

Also, hold harmless TOPs will continue through December 31, 2005 for rural hospitals having 100 or fewer beds, in accordance with the provisions of the MMA.

In addition, hold harmless TOPs will apply to sole community hospitals which are located in rural areas, with respect to services furnished during cost reporting periods beginning on or after January 1, 2004, and will continue through December 31, 2005, in accordance with the provisions of the MMA.

Implementation

Targeted for January 1, 2004.

Related Instructions

To view the actual program transmittal for this article, please visit:

http://www.cmc.hhs.gov/manuals/transmittals/comm_date_dsc.asp

Once at that site, look for CR number 3015, scroll down, and then click on the file number for that CR.

For additional information on the OPPS and TOPs payments, please refer to Chapter 4 of the Medicare Claims Processing Manual (Pub 100-04). This chapter may be found at:

http://www.cms.hhs.gov/manuals/104_claims/clm104c04.pdf

Should you have additional questions, please contact your fiscal intermediary at their toll free number. If you do not know that number, you may retrieve it from:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>.

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