
CMS Manual System

Pub. 100-08 Medicare Program Integrity

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Transmittal 65

Date: JANUARY 30, 2004

CHANGE REQUEST 2905

I. SUMMARY OF CHANGES: Removed the requirement for Fiscal Intermediaries to perform medical review on Long Term Care Hospitals (LTCH).

NEW/REVISED MATERIAL – EFFECTIVE DATE: January 30, 2004

***IMPLEMENTATION DATE: March 2, 2004**

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.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)
(R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	1/1.2/Types of Claims for Which Contractors are Responsible

***III. FUNDING:**

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification

***Medicare contractors only**

Business Requirements

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I. GENERAL INFORMATION

A. Background: This notification manualizes the change that Fiscal Intermediaries (FI) shall not conduct medical reviews for long-term care hospitals (LTCH). Due to the Prospective Payment System for long-term care regulation (federal register, volume 67, number 169, August 30, 2002), the Quality Improvement Organizations are now required to perform review of LTCH. Thus eliminating the need for FIs to continuing reviewing LTCH.

B. Policy: Due to the long-term care regulation requiring the Quality Improvement Organizations to review, FIs no longer will be required to review LTCH.

C. Provider Education: None.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
1	FIs shall not medically review for long term care hospitals.	FI

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

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

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. OTHER CHANGES

Citation	Change
N/A	

SCHEDULE, CONTACTS, AND FUNDING

Effective Date: January 30, 2004 Implementation Date: March 2, 2004 Pre-Implementation Contact(s): Karen Daily 410-786-0189 or kdaily@cms.hhs.gov Post-Implementation Contact(s): Karen Daily 410-786-0189 or kdaily@cms.hhs.gov	These instructions should be implemented within your current operating budget.
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1.2 - Types of Claims for Which Contractors are Responsible

(Rev. 65, 01-30-04)

Contractors may perform MR functions for the following types of claims:
All claims appropriately submitted to a carrier, DMERC, or Regional Home Health Intermediary (RHHI) and;

All claims appropriately submitted to an intermediary including but not limited to:

- Acute Care Inpatient PPS Hospital Swing Beds
- Ambulatory surgical centers (hospital based)
- Inpatient rehabilitation freestanding hospitals or excluded rehabilitation units of PPS hospitals
- Inpatient critical access hospitals including swing beds
- Inpatient psychiatric freestanding hospitals or excluded psychiatric units of PPS hospitals
- All ESRD facilities (freestanding and hospital based).

Prior to implementing medical review in the above settings, contractors shall notify providers they may be subject to review. Contractors shall apply Progressive Corrective Action (Transmittal AB-00-72) in review of these claims.

Due to the Quality Improvement Organizations performing reviews, Contractors shall not perform MR functions for:

- *acute care inpatient PPS hospital (DRG) claims and,*
- *Long Term Care Hospital (LTCH) claims*

Contractors shall include claims from the above settings in doing data analysis to plan their medical review strategy using the same criteria employed in other settings. Customer service and education plans should also be considered. Amendments to plans and strategies should be made as needed if analysis indicates adjustment of priorities.

As part of your annual review of LMRP in conformance with PIM Ch. 1, Sec. 2.3.1, consider the need to modify your policies to apply to these settings. As in any setting, contractors shall provide educational opportunities to assure knowledge of applicable policies and appropriate billing procedures.