
Medicare

Home Health Agency Manual

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal 292

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REFER TO CHANGE REQUEST 1123

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
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461 - 462 (Cont.)

51 - 52 (2 pp.)

51 - 52 (2 pp.)

NEW/REVISED MATERIAL-- *EFFECTIVE DATE: July 1, 2000*

Section 462, Claims Processing Timeliness, is updated to inform you that the prompt payment interest rate is now available on the Treasury Department's new web page address--
www.publicdebt.treas.gov/opd/opdprmt2.htm.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

461. BILLING FOR MEDICAL AND OTHER HEALTH SERVICES

Your intermediary or health maintenance organization (HMO) accepts billing form HCFA-1450 for services covered under Part B that are not provided under a home health plan of treatment.

Submit a bill in all cases when covered services are rendered without regard to whether the deductible has or has not been satisfied. The medical plan provides coverage for certain "medical and other health services." Payment may be made to you when you furnish directly, or under arrangements with others, the following "medical and other health services:"

- o Surgical dressings, splints, casts and other dressings used for reduction of fractures and dislocations; (See §219.1.)
- o Prosthetic devices; (See §219.2.)
- o Leg, arm, back and neck braces, trusses and artificial legs, arms and eyes; (See §219.3.)
- o Outpatient physical therapy and speech pathology services; (See §219.4.)
- o Outpatient occupational therapy; (See §205.2.)
- o Rental and purchase of durable medical equipment; (See §220.)
- o Ambulance services; (See §221.)
- o Hepatitis B Vaccine; (See §219.) and
- o Pneumococcal Vaccine. (See §219.)

462. CLAIMS PROCESSING TIMELINESS

A. Claims Processing Timeliness Requirements.--"Clean" claims must be paid or denied within the applicable number of days from their receipt date as follows:

<u>Time Period for Claims Received</u>	<u>Applicable Number of Days</u>
01-01-93 through 09-30-93	24 for EMC & 27 for paper claims
10-01-93 and later	30

See subsection D for the definition of a clean claim. All claims (i.e., paid claims, partial and complete denials, no payment bills) including PIP and EMCs are subject to the above requirements.

The count starts on the day after the receipt date and ends on the date payment is made. For example, for clean claims received October 1, 1993, and later, if this span is 30 days or less, the requirement is met.

B. Payment Floor Standards--Your intermediary does not pay, issue, mail, or otherwise pay for any claim it receives from you within the waiting period as indicated below. The length of the waiting period is determined by the date a claim is received. Your intermediary starts its count on the day after the date of receipt. For example, a paper claim received October 1, 1993, can be paid on or after October 28, 1993. An electronic claim received November 1, 1993, can be paid on or after November 15, 1993.

<u>Claims Receipt Date</u>	<u>Waiting Period (Calendar Days)</u>
01-01-93 through 09-30-93	14 for EMC & 26 for paper claims
10-01-93 and later	13 for EMC & 26 for paper claims

NOTE: No payment claims are not subject to the payment floor standards.

C. Interest Payment on Clean Non-PIP Claims Not Paid Timely--Interest must be paid on clean non-PIP claims if payment is not made within the applicable number of calendar days after the date of receipt as described in subsection A. For example, a clean claim received on October 1, 1993, must have been paid before the end of business on October 31, 1993. Interest is not paid on:

- o Claims requiring external investigation or development by your intermediary;
- o Claims on which no payment is due;
- o Full denials; or
- o Claims for which you are receiving PIP.

Interest is paid on a per bill basis at the time of payment.

Interest is paid at the rate used for §3902(a) of title 31, U.S. Code (relating to interest penalties for failure to make prompt payments). The interest rate is determined by the applicable rate on the day of payment.

This rate is determined by the Treasury Department on a 6 month basis effective every January 1st and July 1st. Effective January 1, 2000, you may access the Treasury Department's new web page address--www.publicdebt.treas.gov/opd/opdprmt2.htm semi annually for the new rate. Your intermediary notifies you of any changes to this rate.

Interest is calculated using the following formula:

$$\text{Payment amount} \times \text{rate} \times \text{days} \div 365 \text{ (366 in a leap year)} = \text{interest payment.}$$