Medlearn Matters
Information for Medicare Providers
CMS CENTERS for MEDICARE & MEDICAID SERVICES

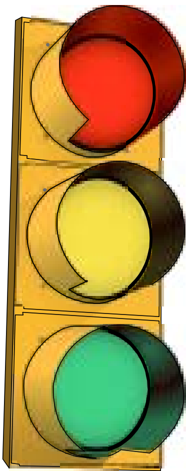
Related Change Request (CR) #: 3309
Medlearn Matters Number: MM3309
Related CR Release Date: June 18, 2004
Related CR Transmittal #: 207
Effective Date: January 1, 2004
Implementation Date: July 19, 2004

MMA - Expansion of Policy where Patient is a Member of a Medicare Advantage (MA) Organization for only a Portion of the Billing Period, to Include Inpatient Rehabilitation Facilities (IRF) and Long Term Care Hospitals (LTCH) (MMA section 211(e))

Provider Types Affected

Hospitals (specifically Inpatient Rehabilitation Facilities and Long Term Care Hospitals)

Provider Action Needed



STOP – Impact to You

This instruction reflects new policy that applies to coverage of Medicare beneficiaries in an IRF or LTCH who are in a Medicare Advantage organization for a portion of their stay per the Medicare Modernization Act of 2003 (MMA).

CAUTION – What You Need to Know

Per the MMA, the terminology "Medicare Advantage" organization will now be used instead of "Medicare + Choice" organization. In addition, the policy regarding coverage when a patient is a member of a Medicare Advantage organization for only a portion of the billing period will now include IRFs and LTCHs.

GO – What You Need to Do

Refer to the *Background* and *Additional Information* sections of this instruction for further details regarding this instruction.

Background

For hospitals paid under the Prospective Payment System (PPS), the Code of Federal Regulation (42 CFR 422.264) outlined a policy for coverage in a Medicare Advantage (MA) organization that begins or ends during an inpatient stay.

The rule states that **the patient's status at admission determines liability**. For example, a patient is admitted to a hospital on January 28th and is discharged on February 5th. On February 1st the patient

Disclaimer
Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

enrolls in a MA organization. Medicare Fee-For-Service (FFS) is liable for this inpatient stay because the patient had Medicare FFS at admission.

A similar scenario would be true if the patient disenrolled in the MA organization on February 1st. In this case the MA organization would be responsible for this inpatient stay that started on January 25th.

There are no Medicare claims processing system changes needed for this CR because the system was set up to process claims correctly in this fashion since the inception of IRF and LTCH prospective payment.

This instruction notifies Medicare Fiscal Intermediaries (FIs) and providers that the Medicare Modernization Act of 2003 (MMA - Section 211(e)) expanded this policy to include IRFs and LTCHs. Also per the MMA, the terminology "Medicare Advantage" organization will be used instead of "Medicare + Choice" organization.

Additional Information

Following is an excerpt of the revised Chapter 1, Section 90 of the Medicare Claims Processing Manual, which reflects these changes. The red, italicized print shows the changes.

"Where a patient either enrolls or disenrolls in an *MA organization* (See the General Information, Eligibility, and Entitlement Manual (Pub. 100-01), Chapter 5, section 80 for definition) during a period of services, two factors determine whether the *MA organization* is liable for the payment.

- Whether the provider is included in inpatient hospital or home health PPS; and
- The date of enrollment.

Hospital Services

If the provider is an inpatient acute care hospital, *inpatient rehabilitation facility, or a long term care hospital*, and the patient changes *MA* status during an inpatient stay for an inpatient institution, the patient's status at admission or start of care determines liability.

If the hospital *in*patient was not a *MA* enrollee upon admission but enrolls before discharge, the *MA organization* is not responsible for payment.

For *hospitals exempt from PPS (children's hospitals, cancer hospitals, and psychiatric hospitals/units) and Maryland Waiver hospitals*, if the *MA organization* has processing jurisdiction for the *MA* involved portion of the bill, it will direct the provider to split the bill and send the appropriate portions to the appropriate FI or *MA organization*. When forwarding a bill to a *MA organization*, the provider must also submit the necessary supporting documents.

If the provider is not a PPS provider, the *MA organization* is responsible for payment for services on and after the day of enrollment up through the day that disenrollment is effective.

Disclaimer
Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

Related Instructions

The actual instructions issued to your intermediary can be found by going to:

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

From that Website, look for CR3309 in the CR NUM column on the right, and click on the file for that CR.

If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found at:

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

Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.