

# Program Memorandum Intermediaries

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

Transmittal A-03-008

Date: FEBRUARY 3, 2003

## CHANGE REQUEST 2537

**SUBJECT: Clarification of 3-Day Payment Window vs. 1-Day Payment Window for Hospitals Excluded from Inpatient Prospective Payment System (IPPS)**

### I. GENERAL INFORMATION

**A. Background:** Long-term care hospitals (LTCHs) and inpatient rehabilitation hospitals (IRFs) are not subject to the 3- Day Payment Window (72-hour rule) for pre-admission services. Hospitals excluded from IPPS are subject to the 1-Day Payment Window (24-hour rule) for pre-admission services, even though these types of facilities are now under their own prospective payment system (PPS). With the implementation of IRF PPS, it was mistakenly assumed that because they were coming under a PPS, the 72-hour rule would apply. Due to current edits within the Common Working File (CWF), IRFs and LTCHs are currently subject to the 72-hour rule. In summary, only acute inpatient hospitals are subject to the 3-day payment window. LTCHs and IRFs are only subject to the 1-day payment window.

**B. Policy: Section 1886(a)(4) of the Social Security Act, CFR 413.40(c)(2)**

### II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
1	LTCHs (provider # range xx-2000 – xx-2299) and IRFs (xx-3025 – xx-3099 or third position equals “T”) must be removed from 72-hour rule edits.	CWF
2	Modify edits 38044 and 38045.	FISS

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions:

X-Ref Requirement #	Instructions
1	Provider # located in Field Locator (FL) 51 of UB-92 or electronic equivalent.
1	Type of Bill 11X.

**B. Design Considerations:**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: None****D. Contractor Financial Reporting /Workload Impact: None****E. Dependencies: None****F. Testing Considerations: None**

**G. Provider Education:** This information must be shared with providers through your Web site within two weeks and published in your next regularly scheduled bulletin.

**IV. ATTACHMENT(S): None**

Version: January 7, 2003 Implementation Date: July 1, 2003 Discard Date: June 30, 2004 Post-Implementation Contact: Sarah Shirey SSHirey@cms.hhs.gov	Effective Date: July 1, 2003 Funding: <i>These instructions should be implemented within your current operating budget.</i> Pre-Implementation Contact: Sarah Shirey SSHirey@cms.hhs.gov
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