CMS Manual System

Pub. 100-19 Demonstrations

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

Transmittal 3 **Date: MAY 7, 2004**

CHANGE REQUEST 3269

I. SUMMARY OF CHANGES: This CR describes the changes necessary to implement the Demonstration Project to Clarify the Definition of Homebound, also referred to at the Homebound Demonstration. The changes include: (1) the tracking of initial request for anticipated payment (RAP) and final episode claims of home health patients identified by home health agencies as meeting criteria specified in Section 702 of the MMA, (2) providing pertinent patient information to a designated CMS data center file, and (3) providing pertinent information when needed to participating home health agencies.

NEW/REVISED MATERIAL - EFFECTIVE DATE: October 1, 2004
***IMPLEMENTATION DATE: October 4, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS:
(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	1/Table of Contents

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

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

***Medicare contractors only**

Attachment - Business Requirements

Pub. 100-19	Transmittal: 3	Date: May 7, 2004	Change Request 3269

SUBJECT: Demonstration Project to Clarify the Definition of Homebound - Section 702 of MMA

I. GENERAL INFORMATION

A. Background:

Section 702 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (also known as the Medicare Modernization Act or MMA) mandated that the Secretary conduct a "Demonstration Project to Clarify the Definition of Homebound."

In accordance with the statute, CMS shall conduct a 2-year demonstration in 3 States (representing northeast, midwestern, and western regions) in which Medicare beneficiaries with chronic conditions of a specific nature are deemed to be homebound for the purpose of receiving home health services under the Medicare program. Treatment under the demonstration is limited to no more than 15,000 beneficiaries. Beneficiaries eligible for this demonstration are those with permanent, severe disability, who need permanent help with 3 of 5 Activities of Daily Living (ADLs), permanent skilled nursing care, and daily attendant visits to monitor, treat or provide ADL assistance. They must also require technological or personal assistance to leave home and not be working outside the home. The Act specifies that the demonstration shall begin 180 days after enactment, i.e., before June 9, 2004.

The business requirements specified in this change request apply only to the Medicare home health benefit and only affect those RHHIs serving states covered under the demonstration.

B. Policy:

Implementation of this demonstration will not require any change in payments or payment processing under the home health prospective payment system.

The demonstration design as it pertains to the identification of demonstration patients and the processing of claims and associated information about the home health episode of care is as follows:

At implementation of the demonstration, providers will be informed that for the duration of the demonstration in their state, a Medicare patient will be eligible to be deemed homebound, without regard to the purpose, frequency, or duration of absences from the home if the Medicare patient meets all of the following conditions:

1. Certified by one physician as an individual who has a permanent and severe, disabling condition that is not expected to improve.
2. Dependent upon assistance from another individual with at least 3 out of the 5 activities of daily living specified in the Act (eating, toileting, transferring, bathing, and dressing) for the rest of the beneficiary's life.
3. Requires skilled nursing services for the rest of his or her life, and the skilled nursing is more than medication management.
4. Requires an attendant to visit on a daily basis to monitor and treat a medical condition or to assist the beneficiary with activities of daily living.
5. Requires technological assistance or the assistance of another person to leave the home.
6. Does not regularly work in a paid position full-time or part-time outside the home.

If a Medicare beneficiary meets these conditions during the demonstration period, providers may refer/enroll this patient for home care whether or not the patient meets the homebound definition.

At enrollment, if the home health agency (HHA) or physician believes that the patient meets the criteria for a demonstration patient, the physician, in signing the Plan of Care (POC) will indicate in the open text remark section that he/she certifies that the patient has a severe and permanent condition and satisfies the requirements of the demonstration. The HHA and/or physician will proceed to enroll and provide services to the patient, informing the patient that he/she is being admitted under a demonstration project of limited duration, and specifying the parameters that allow more freedom to leave the home.

The HHA will inform the patient that he/she qualifies for home care by satisfying the demonstration criteria, but that he/she may only take advantage of the more liberal homebound policy during the demonstration period.

Under the demonstration, the HHA will be encouraged to keep a log of the patients who meet the criteria and were enrolled, and also those meeting the criteria that, for whatever reason, were not enrolled.

For each identified demonstration patient, the HHA will submit to the RHHI a request for anticipated payment (RAP) entering a special code in the remarks section of the claim identifying the patient as part of the demonstration. The HHA will place the same code on any interim claim and final end of episode claim for that patient. The HHA will process the RAP and subsequent end-of-episode claim(s) in accordance with standard Medicare claims processing rules.

The RHHI will receive and process the RAP and subsequent claims for payment in accordance with standard Medicare rules. The claim is processed through the Fiscal Intermediary Standard System (FISS), which outputs the claim to the Common Working File (CWF) adding a Special Processing Number 44 for all demonstration claims.

The RHHI will provide the following information on a weekly basis to a designated file address at the CMS data center:

a. home health agency provider number;
b. home health agency location;
c. patient name;
d. Medicare health insurance identification number with alphanumeric suffix; and
e. patient address.

Each new weekly file will be appended to the existing file to create a cumulative file of information about all beneficiaries served under the demonstration.

The demonstration Support Contractor will access the designated CMS data center file on a regular basis to access information on new demonstration patients. The Support Contractor will notify the patient that he/she has been identified as meeting the requirements of the demonstration and advise the patient of the opportunity during the demonstration period to leave home frequently and for longer duration than normally allowed while receiving home care under Medicare. The patient will be encouraged to take advantage of this opportunity and informed that taking advantage of the opportunity will not affect his/her Medicare benefits. The patient will be asked to keep a log of absences from home for the purpose of the evaluation of the demonstration and will be told that the evaluation contractor may contact him/her after home care has been completed. The patient will be provided with a toll free number to answer questions about the demonstration.

The demonstration support contractor shall monitor enrollment of demonstration patients across the three designated states and inform CMS when the number of patients nears 15,000. At this point, CMS will inform providers and RHHIs of the cessation of the demonstration, if prior to the end of the 2-year demonstration period.

After the patient is discharged from home care, the Support Contractor will contact the HHA to request a copy of the plan of care and medical record for each patient. Depending on the evaluation design and number of patients entering the demonstration, the number of records requested may be limited to a number below the 15,000 maximum.

C. Provider Education:

Primarily, the Support Contractor will provide provider education. However, the RHHIs will be required to be familiar with the demonstration and issue instructional notices about and/or be able to answer questions posed by the provider with regard to the appropriate use of the special claim code and the need for the collection by the Support Contractor of information about demonstration patients (i.e., the plan of care and medical record).

A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.”

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3269.1.0	The RHHI shall instruct the HHAs in the 3 designated States that patients meeting the demonstration criteria can be identified as demonstration candidates between the period of October 4, 2004 and January 10, 2008.	RHHI
3269.1.1	The RHHI shall instruct the HHAs that for each identified demonstration patient, the HHA shall prepare the Request for Anticipated Payment (RAP) claim, and the end of episode claim in the usual manner, except that the provider submits each claim (DDE, EMC, HCOPY) with the text " 'HHDEMO' in the remarks field.	RHHI
3269.1.2	The RHHI shall instruct the HHAs to process the RAP and subsequent end-of-episode claim(s) in accordance with standard Medicare claims processing rules.	RHHI
3269.2.0	The RHHI upon receiving a RAP or an end of episode claim with the text "HHDEMO" in the remarks field shall process the claim for payment in accordance with standard Medicare rules.	RHHI
3269.2.1	The FISS shall develop and implement logic in the beginning of processing to interrogate the remarks field. If the text 'HHDEMO' is present, then FISS shall place a demonstration indicator of 'H' in the DEMO IND field on claim Page 12 (similar to how the HH split indicator was set up front).	FISS
3269.2.2	If the demonstration indicator is present, then the FILL shall transmit a special processing number (SPN) of "44" to the CWF.	FISS, CWF
3269.2.3	If a claim is subsequently adjusted, all related adjustment claims shall have a special processing number (SPN) of "44" attached to that claim.	FISS, CWF
3269.2.5	For claims under review for violation of the "Homebound Rule," the RHHI shall not apply normal rules regarding frequency and duration of absence from home for HDEMO/SPN 44 identified claims.	RHHI

3269.3.0	The FISS shall design and create a report containing the following information to a designated file address at the CMS data center: a. home health agency provider number b. home health agency location c. patient name d. Medicare health insurance identification number with alphanumeric suffix e. patient address The FISS shall make available a printable version of the report to the RHHI.	FISS, RHHI, Data Center
3269.3.1	The RHHI shall obtain and install a copy of the Connect:Direct software product from CMS.	RHHI/Data Center
3269.3.2	The RHHI shall complete a CMS/Data Center user agreement and become a CMS/DC registered user.	RHHI/Data Center
3269.3.3	The RHHI contractor shall make a connection to the CMS/DC through the *Connect:Direct* software product and queue a file to be transferred to the CMS/DC. (**NOTE:** The facility utilized at the CMS Data Center for transferring files in/out of the CMS/DC is the Sterling Commerce, Inc.)	RHHI/Data Center
3269.3.4	The RHHI contractor shall submit FISS generated files on a weekly basis to the CMS data center. New files shall be appended to the existing file so that cumulative data is retained.	
3269.3.5	Once transferred to the CMS/DC, the file shall be stored on the CMS/DC mainframe platform and protected by the RACF data security protection facility.	CMS/DC
3269.3.4	Other CMS/DC registered users that were granted RACF access authority to the RHHI files stored at the CMS/DC shall have access to manipulate those files.	CMS/DC, RHHI, Support Contractor
3269.3.5	The RHHI files shall be deleted from the CMS/DC mainframe platform 400-days after last use. (**NOTE:** At that time, those files would become unrecoverable unless an independent magnetic tape copy was taken for an extended period of time by “our” contractor.)	CMS/DC
3269.4.0	The RHHI shall provide notification to HHAs in the 3 states of the cessation of the demonstration at the end of the demonstration treatment period. This shall be the earlier of: (1) 60 days after notification that the 15,000 enrollment limit has been reached;	RHHIs

	(2) two years after the start of the demonstration; or (3)such other date as provided by CMS. Upon notification, RHHIs shall no longer identify patients and tag claims based on the presence of "HHDEMO" in the remarks field as described above.	

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: None

C. Interfaces: N/A

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

E. Dependencies: N/A

F. Testing Considerations:

Testing should be coordinated between RHHI, systems maintainers, CWF and select HHAs to insure proper coding of demonstration patients.

IV. OTHER CHANGES

Citation	Change
N/A	

SCHEDULE, CONTACTS, AND FUNDING

Effective Date: October 1, 2004 **Implementation Date:** October 4, 2004 **Pre/Post-Implementation Contact(s):** Armen Thoumaian (410-786-6672)	**These instructions should be implemented within your current operating budget.**

Demonstrations

Pub. 100-19 is the Demonstration Manual, which houses the demonstrations that are not required to be manualized at this point. Below is a table of contents that lists the current demonstrations.

Table of Contents

TRANSMITTAL	COMMUNICATION DATE	CR NUMBER
R3_DEMO.doc	*05/07/2004*	*3269*
AB-02-153	04/01/2003	2414
AB-02-144	10/25/2002	2382
AB-02-119	08/21/2002	2334
AB-02-002	01/11/2002	1995
AB-01-149	10/23/2001	1752
AB-01-140	09/27/2001	1849
AB-01-97	07/17/2001	1525
AB-01-93	06/28/2001	1750
AB-01-30	02/12/2001	1548
AB-00-71	08/07/2000	1116