

Business Requirements

Pub. 100-4	Transmittal: 17	Date: October 31, 2003	Change Request 2927
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I. GENERAL INFORMATION

A. Background: Medicare regulations allow that payment may be made for home health services for up to 30 days after a home health agency (HHA) terminates their Medicare provider agreement. This payment can be made if the home health services are furnished under a home health plan of care established before the effective date of the termination. In October 2000, the basis of Medicare payment for home health services under a plan of care changed to a home health prospective payment system (HH PPS) based on 60-day episodes of care. As a result of the change to 60-day episodes, payments for services within 30 days of a provider's termination date are not being made in all appropriate cases.

Currently, Medicare continues to pay beyond a provider's termination date for home health services provided under a plan of care established prior to that date if the home health episode of care ends within the 30 day period. These payments are consistent with Medicare regulations. However, in cases where an episode begins prior to a provider's termination date and that episode ends after the 30 day allowance period, the entire claim is currently not paid. Under Medicare regulations, the portion of these episodes that falls within the 30-day allowance period should receive Medicare payment. The payment mechanism under HH PPS for paying for shortened periods of services is the partial episode payment (PEP) adjustment. The requirements below change Medicare systems to make PEP payments for HH PPS episodes which begin prior to a provider's termination date and which end after the 30 day allowance period.

The Arkansas Part A Shared System (APASS) is exempt from making the changes described in the requirements below. The regional home health intermediary using APASS is exempt from these requirements until the completion of their transition to the Fiscal Intermediary Shared System.

B. Policy: Regulations allowing home health payments for 30 days after the date of termination are found at 42 CFR 489.55.

C. Provider Education: Intermediaries shall inform affected providers by posting either a summary or relevant portions of this document on their Web site within 2 weeks. Also, intermediaries shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected providers, they shall use it to notify subscribers that information about "Correction to Payments to Terminated Home Health Agencies Under the Home Health Prospective Payment System (HH PPS)" is available on their Web site.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
2927.1	Medicare systems shall calculate partial episode payment (PEP) adjustments on HH PPS claims where the claim "From" date is less than an HHA's termination date and the claim "Through" date is greater than the HHA's termination date plus 30 days.	SS
2927.1.1	Medicare systems shall change the patient status code to "06" prior to calculating payment on HH PPS claims if the claim "From" date is less than an HHA's termination date and the claim "Through" date is greater than the HHA's termination date plus 30 days.	SS
2927.1.2	Medicare systems shall change the claim "Through" date to equal the HHA's termination date plus 30 days if the claim "From" date is less than an HHA's termination date and the claim "Through" date is greater than the HHA's termination date plus 30 days.	SS
2927.1.3	Medicare systems shall move charges from covered to non-covered for any service lines with line item dates greater than the HHA's termination date plus 30 days if the claim "From" date is less than an HHA's termination date and the claim "Through" date is greater than the HHA's termination date plus 30 days.	SS
2927.2	Medicare systems shall return to the provider any RAP or no-RAP LUPA claim with a "From" date on or after the HHA's termination date.	SS

II. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
2927.1.1	The HH PPS Pricer calculates PEP payments for all records with patient status "06."

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: No changes to the HH PPS Pricer interface are required by this change request.

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

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. OTHER CHANGES: N/A

Citation	Change

SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: April 1, 2004</p> <p>Implementation Date: April 5, 2004</p> <p>Pre-Implementation Contact(s): Wil Gehne, (410) 786-6148, wgehne@cms.hhs.gov Kelly Buchanan (410) 786-6132, kbuchanan@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional offices</p>	<p>These instructions should be implemented within your current operating budget</p>
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