Program Memorandum Intermediaries/Carriers

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

Transmittal AB-01-70 **Date MAY 1, 2001**

CHANGE REQUEST 1644

SUBJECT: Revision of Existing Home Health Prospective Payment System (HH PPS) Consolidated Billing Edits

In October 2000 edits were installed in the Common Working File (CWF) to enforce the consolidated billing of home health services for dates of services falling within an open HH PPS episode of care. These edits apply to certain outpatient therapy services and non-routine medical supplies that were defined in the HH PPS final rule (65 FR 41128), published in the ***Federal Register*** on July 3, 2000. An updated list of HCPCS codes corresponding to these services was published in PM AB-01-65, Change Request 1622, on April 26, 2001. The edits are identified in CWF as 5389 (consolidated billing of supplies) and 5390 (consolidated billing of therapies). Claims returned with these codes from CWF are rejected. Currently, if only a request for anticipated payment (RAP) for the episode has been received, these edits apply if the incoming therapy or supply claim contains dates of service within a full 60 day home health episode period posted to CWF. If a claim for the episode has been received, these edits apply if the therapy or supply claim contains dates of service between the date of earliest billing activity (DOEBA) and date of latest billing activity (DOLBA) shown in the episode record.

As of the implementation date below, CWF will alter these edits to take the following actions. If only a RAP for the episode has been received (DOEBA and DOLBA dates are blank) and the incoming therapy or supply claim contains dates of service within the full 60 day home health episode period, CWF will return an alert to the intermediary or carrier to notify them that the claim may be subject to consolidated billing. This alert will include a trailer containing line item specific information that identifies the individual services that fall within the episode. This alert will be returned with disposition "01" indicating the claim is payable. The intermediary or carrier will then process the claim to payment, but will pass on the alert to the provider on the remittance advice that accompanies the payment in the form of the following new remark code:

N88--This payment is being made conditionally. An HHA episode of care notice has been filed for this patient. When a patient is treated under an HHA episode of care, consolidated billing requires that certain therapy services and supplies, such as this, be included in the HHA's payment. This payment will need to be recouped from you if we establish that the patient is concurrently receiving treatment under an HHA episode of care.

This remark code will be applied at the line level on the electronic remittance advice (ERA). Both intermediaries and carriers must educate all providers regarding the importance of this remark code. The code will indicate to providers that the services may be denied and claim payment may be recouped if later editing or another post-payment recovery process identifies the claim as subject to consolidated billing. No message reflecting the alert will be displayed to the beneficiary on the Medicare Summary Notice (MSN). Future instructions will be sent out regarding contractor review of the alerts to determine whether inappropriate payments need to be recovered.

If a claim for the episode has been received (DOEBA and DOLBA dates are present), these edits will be applied if the therapy or supply claim contains dates of service between the episode start date and the DOLBA date shown in the episode record. The edits will be modified to return a trailer to the intermediary or carrier containing line item specific information that identifies the individual services that fall between the home health episode start date and the DOLBA date. The intermediary or carrier standard systems will deny the line items subject to HH consolidated billing and resubmit the claim to CWF for approval. Remittance advice and MSN messages identified in PM AB-01-48, Change Request 1584, on March 27, 2001, will be applied at the line level on the ERA for these denials.

Additional enhancements to HH PPS consolidated billing edits will be developed for later implementation. These enhancements will include the processing of unsolicited responses for claims paid prior to the creation of an HH PPS episode and the creation of a HCPCS modifier to identify services not subject to consolidated billing within an HH PPS episode.

The *effective date* for this Program Memorandum (PM) is October 1, 2001.

The *implementation date* for this PM is October 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after May 1, 2002.

If you have any questions, contact your regional office.