
Program Memorandum

Intermediaries

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

Transmittal A-00-03

Date: JANUARY 2000

CHANGE REQUEST 1078

SUBJECT: Implementation of H.R. 3426, the Medicare, Medicaid, and the State Child Health Insurance Program Balanced Budget Refinement Act of 1999 (BBRA '99), P.L. 106-113, Section 301(a) Which Provides an Adjustment to Defray the Costs Incurred by a Home Health Agency (HHA) Attributable to Data Collection and Reporting Requirements Under the Outcome and Assessment Information Set (OASIS)

Section 301(a) of BBRA '99 enacted November 29, 1999 requires that when a HHA furnishes home health services to a Medicare beneficiary during the agency's cost reporting period beginning in Federal fiscal year (FFY) 2000, the HCFA shall pay the HHA, in addition to any amount of payment made under §1861(v)(1)(L) of the Social Security Act, an aggregate amount of \$10 for each unduplicated beneficiary to defray costs incurred by the agency attributable to data collection and reporting requirements under OASIS. The section also sets up a payment schedule to pay agencies for the costs of OASIS (1) not later than April 1, 2000, HCFA shall pay to the HHA an amount that approximates 50 percent of the aggregate amount estimated to be payable to the agency and (2) upon the settlement of the cost report, HCFA shall pay the balance to the HHA the amounts payable as reflected on the settled cost report based on the actual beneficiary count for the cost reporting year.

Payments Made Not Later Than April 1, 2000

This Program Memorandum (PM) is being provided to instruct you to make a 50 percent, lump sum, interim payment not later than April 1, 2000 to all HHAs under §301(a). Therefore, you should obtain the latest available unduplicated Medicare beneficiary census count data to compute this payment amount. These data can be obtained from the latest PS&R annualized or the latest filed cost report from the HHA. These should form the basis for your estimate of the number of unduplicated Medicare beneficiaries who will be served by the HHA in its cost reporting year, beginning in FFY 2000. After the estimated payment amount is calculated, you should make the 50 percent interim payment in the form of a lump sum adjustment to the HHA no later than April 1, 2000. For HHAs that have cost reporting periods beginning on or after April 1, 2000, you should estimate the unduplicated Medicare beneficiary census data using the latest PS&R or the latest filed cost report available. The one-time payment due before April 1, 2000 should be made to all HHAs, whether or not they exceed their applicable costs limits. For cost reporting periods beginning after the date of payment, the amount of the interim, lump sum adjustment payment must be identified so that it may be associated with the appropriate cost reporting period. Also, please ensure that the cost reports for the affected period reflects this lump sum adjustment and that you maintain the appropriate supporting documentation.

Additional Information

In addition, please refer to HCFA Pub. 15-2-32 (freestanding HHA), 15-2-35 (SNF-based HHA), and 15-2-36 (hospital-based HHA) for the latest settlement instructions for the OASIS payment.

This provision is effective for cost reporting periods beginning on and after October 1, 1999 and prior to October 1, 2000. Intermediaries must calculate the OASIS payment for each HHA that you service that is affected by this provision and pay them 50 percent of the aggregate amount by April 1, 2000.

HCFA-Pub. 60A

The effective date of this PM is for home health services furnished for cost reporting periods beginning on or after October 1, 1999.

The implementation date of this PM is not later than April 1, 2000.

Contact for this PM is Michael Bussacca (410) 786-4602 or Edward Rees (410) 786-8974.

Funding is available through a Supplemental Budget Request for costs required for implementation.

This PM may be discarded after October 1, 2003.