
Program Memorandum

Intermediaries

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

Transmittal A-00-20

Date: APRIL 2000

CHANGE REQUEST 1019

SUBJECT: The Report of Benefit Savings

This Program Memorandum (PM) is to advise you of the change in conversion factors for FY 2000. Fiscal intermediaries (FIs) utilize conversion factors to determine Medicare Part A workload savings, in order to accommodate changes in home health and skilled nursing facility rates. Section 2301.5 of the Medicare Intermediary Manual will be updated to contain the conversion factors for FY 2000. Additionally, §2301.5 will include a list of medical review codes and categories.

Conversion Factors for FY 2000

<u>Code</u>	<u>Category</u>	<u>Conversion Factor</u>
1	Hospital PPS	100%
2	Hospital Non-PPS	78.63%
3	Hospital Outpatient	78.72%
4	Hospital Ancillary Charge	62.91%
5	SNF Days Non PPS	\$227.00
6	SNF Outpatient Charges	72%
7	SNF Ancillary Charges	80%
8	ESRD	80%
9	Outpatient PT/Rehab	80%
10	CORF	80%
11	Rural Health Center	80%
12	Other Part B	80%
13	Program Integrity Savings	100%
14	Open Biopsy	\$3,000 per review
15	All Audits	100%
16	SNF PPS & SNF PPS Demand Days	\$233.72
17	SNF Non-PPS Demand Days	\$227.00
18	HHA S.N. Visit	\$102.57
19	HHA S.T. Visit	\$119.90
20	HHA P.T. Visit	\$117.54
21	HHA Aide Visit	\$46.39
22	HHA O.T. Visit	\$118.92
23	HHA M.S.S. Visit	\$147.52
24	HHA DME/Supplies	80%
25	Outpatient HHA (Part B)	80%
26	Hospice	80%
27	CCR S.N. Visit	\$102.57
28	CCR S.T. Visit	\$119.90
29	CCR P.T. Visit	\$117.54
30	CCR Aide Visit	\$46.39
31	CCR O.T. Visit	\$118.92
32	CCR M.S.S. Visit	\$147.52

Use conversion factors to convert charges to costs.

HCFA Pub. 60A

The category names for codes 5, 15, 16, and 17 have been revised in this PM to capture SNF activity but the RBS system contains the previous category names for codes 5, 15, 16, and 17. The following is a list of the previous and revised category names for codes 5, 15, 16, and 17:

<u>Code</u>	<u>Previous</u>	<u>Revised</u>
5	SNF Days	SNF Non PPS
15	Outpatient Hospital Audits	All Audits
16	Other Audits	SNF PPS & SNF PPS Demand Days
17	SNF Demand Days	SNF Non-PPS Demand Days

Directions for line 16, SNF PPS & SNF PPS Demand Days: (Line 16 will capture dollars denied on PPS ancillary services [when only the ancillary services are reviewed on the claim] as well as days denied for PPS Non-Demand Bills and days reviewed for PPS Demand Bills.) FIs will need to convert the PPS Non-Demand Days denied and PPS Demand Days reviewed to dollars. The amount of \$233.72 is used to make this conversion. Multiply the number of days by \$233.72. Combine this total with the total dollars denied for PPS ancillary services. Report this combined total on Line 16 in Column A. The Conversion Factor for Line 16 will remain at 100%. **FIs must manually calculate savings for Line 16 because the RBS system was not updated for FY 2000 to automatically calculate savings for Line 16.**

NOTE: No standard systems changes are required. The changes in conversion factors for FY 2000 are contained in the RBS system that is used by FIs and HCFA to determine Medicare Part A workload savings in accordance with changed home health and skilled nursing facility rates. The RBS system is not compliant for the year 2000. Therefore, FIs must select the year 1988 to enter FY 2000 workload savings data and to print RBS quarterly workload savings reports. (The year 1988 was selected because it has the same calendar dates as the year 2000.) Since system changes are not required to submit quarterly reports, the software changes will not be made until October, 2000 to correspond with the beginning of FY 2001.

The effective date for this PM is October 1, 1999.

The implementation date for this PM is October 1, 2000.

These instructions should be implemented within your current operating budget.

This PM should not be discarded until October 1, 2001.

If you have questions, contact Sandra Latimer at (410) 786-9178.