

Program Memorandum

Intermediaries

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

Transmittal A-00-52

Date: AUGUST 14, 2000

CHANGE REQUEST 1319

SUBJECT: COMMUNITY MENTAL HEALTH CENTERS (CMHCs) PAYMENT INSTRUCTIONS FOR OUTPATIENT PROSPECTIVE PAYMENT SYSTEM (OPPS) CONTINGENCY PLANS

This PM supplements PM A-00-44, dated July 28, 2000 (CR 1277) with instructions on how to calculate special payments for CMHCs.

Bill type 76X (CMHC use only) was deleted from the list of bill types to be used in the payment calculation in PM A-00-44. However, this bill type was left in the utility program developed by FISS and APASS that will be used to calculate special payments during OPSS implementation. Therefore, when using the utility program, do not use the calculation produced for CMHC providers. Calculations for CMHCs will need to be produced manually.

REMINDER:

- HCFA will notify you on or about **August 14, 2000** if either contingency plan is to be invoked.
- HCFA does not authorize special payments under either plan before August 21, 2000.

Below are the changes for computing the CMHC payment for Plan 1 and Plan 2. All other instructions and procedures in PM A-00-44 remain applicable for CMHCs. Attached are revised letters, similar to the ones in A-00-44, but are directed to CMHCs. For consistency, the attachments have been numbered the same way as in the previous PM. Attachment 3 to A-00-44 has not changed, and therefore has not been included again in this PM.

PLAN 1 – Medicare Intermediary Systems Failure

The base period used for the calculation of special payments for CMHCs will be from January 1 through April 30, 2000. Biweekly payments will be the total payments (that is, the sum of all checks for the period) for that base period, divided by 8.5 and multiplied by 85 percent. This calculation will be a manual process.

If the CMHC was not paid for services in January 2000, divide the total amount paid for the remaining time in the above referenced base period by the appropriate number of bi-weekly periods and multiply by 50 percent.

Attachment 1 is the letter that is to be sent to all providers advising of the opportunity for special payments. **Do not add to or change the content of the letter.**

Attachment 2 is a letter to be sent to providers for providers to return as their request for special payments. **Do not add to or change the content of the letter.**

HCFA-Pub. 60A

PLAN 2 – Provider Billing Failure

The base period used for the calculation of special payments for CMHCs will be from January 1 through April 30, 2000. Biweekly payments will be the total payments for that base period (that is, the sum of all checks for the period), divided by 8.5 and multiplied by 85 percent. This calculation will be a manual process.

If the CMHC was not paid for services in January 2000, divide the total amount paid for the remaining time in the above referenced base period by the appropriate number of bi-weekly periods and multiply by 50 percent.

Attachment 4 is the letter that is to be sent to all providers advising of the opportunity for special payments. **Do not add to or change the content of the letter.**

Attachment 5 is a letter to be sent to providers for providers to return as their request for special payments. **Do not add to or change the content of the letter.**

The *effective date* for this PM is August 1, 2000.

The *implementation date* for this PM is August 14, 2000.

This PM may be discarded after December 31, 2000.

Funding will be provided through the normal budget process.

If you have any questions regarding:

**Financial Management, contact Chuck Booth, OFM, (410) 786-2070
Contractor Management, contact Pat Williams, CBS, (410) 786-6139
Payment Policy, contact John Eppinger, CHPP, (410) 786-4518**

Attachments:

- 1— Letter to Providers for Plan 1**
- 2— Letter from Providers for Plan 1**
- 4— Letter to Providers for Plan 2**
- 5—Letter from Providers for Plan 2**

Fiscal Intermediary Letterhead

Date

Dear CMHC Provider,

The Health Care Financing Administration (HCFA) has announced that the effective date of the Outpatient Prospective Payment System (OPPS) is delayed. The OPPS will begin with dates-of-service on August 1, 2000, and not on July 1, 2000, as previously reported. As of August 14, 2000, Medicare fiscal intermediaries are not able to properly process OPPS claims.

Working with provider associations, HCFA has developed a contingency plan that allows providers who are experiencing financial difficulties due to the fiscal intermediary's processing problems to receive special payments. Special payments are based on the concept of accelerated payments in the Provider Reimbursement Manual, Part I, §2412. However, due to the unique nature of the delay in the national implementation of OPPS, the requirements for special payments are not the same as the procedures for accelerated payments.

Providers may request up to four biweekly special payments. **An original signed request is always required.** However, a provider may e-mail or fax a copy of its request ahead of the original copy to facilitate the initiation and preparation of the special payment. **However, a provider must submit an original signed paper request before the special payment can be released. The request for special payment must be signed by an official of the provider who is legally authorized to commit the provider to the repayment of special payments: that is, the administrator, chief executive officer, chief operating officer, or chief financial officer.** The letter must state that financial difficulties have resulted because of the intermediary's inability to make payments and that the provider understands recovery will be made by withholding 100 percent from Part B payments. The letter must also state that the provider acknowledges that recovery of all payments is to be completed within 90 days from the date that OPPS is operational and that the provider will make a good faith effort to assure that recovery is made within that time frame. For providers currently under withhold for any reason, such withholding will continue to be applied against the biweekly payments. A sample special payment request letter is attached. The special payments under this plan will stop as soon as OPPS becomes operational.

Special payments for CHMCs are calculated based on the period from January 1 through April 30, 2000. Biweekly payments will be the total payments for that base period, divided by 8.5 and multiplied by 85 percent. If you were not paid for services in January 2000, the biweekly payment will be divided by the total amount paid for the remaining time in the above referenced base period by the appropriate number of bi-weekly periods and multiplied by 50 percent.

After OPPS is operational and the special payments recovery begins, providers with extenuating circumstances may request an extended repayment plan beyond the above noted 90 days. Approvals are expected to be very limited and are subject to the extended repayment schedule procedures outlined in the Medicare Intermediary Manual, Part 2, §§2219, 2223, and 2224. Extended repayment plans are for less than 12 months, and in no case is an extended repayment plan permitted to extend beyond April 1, 2001.

If you have questions, please contact (insert FI's name, department and phone number). Also, refer to HCFA's web site: <http://www.hcfa.gov>. Look on the homepage for the link to OPPS information.

Thank you for your patience and cooperation.

Sincerely yours,

Attachment 2

Date

Provider #:

Dear Fiscal Intermediary,

I am writing to request special payments because we are experiencing financial difficulties due to the delay of the Outpatient Prospective Payment System (OPPS) implementation. I understand the special payments will be made during the interim period until OPPS is operational. I understand that special payments for CHMCs are calculated based on the period from January 1 through April 30, 2000. Biweekly payments will be the total payments for that base period, divided by 8.5 and multiplied by 85 percent. (Or, if you were not paid for services in January 2000, the biweekly payment will be divided by the total amount paid for the remaining time in the above referenced base period by the appropriate number of bi-weekly periods and multiplied by 50 percent.) Under this OPPS Contingency Plan, we may be eligible to receive up to four biweekly payments.

I understand that recovery of these payments will begin as soon as OPPS is operational and must be fully settled within 90 days of the OPPS becoming operational. Recovery will be made by withholding Medicare Outpatient Part B claims at 100 percent until the special payments have been recouped. We will be responsible for the refund of any outstanding special payment balance that could not be withheld from payments during those 90 days. I understand that if the recovery withholding poses a difficulty, I may request an extended repayment plan.

I certify that I am legally authorized to make financial commitments and assume financial obligations on behalf of this provider of care. If you have questions you may contact me at (insert phone number.)

Sincerely yours,

Name and Title of Individual Signing on Behalf of the Medicare Provider

Fiscal Intermediary Letterhead

Date

Dear Medicare Provider,

As of (insert date), we have begun processing claims under the Outpatient Prospective Payment System (OPPS). If you are unable to submit claims under OPPS, you may submit an original signed request for up to two bi-weekly special payments. A subsequent request may be submitted in writing for a maximum of two additional bi-weekly special payments (a total of four), if you have not yet completed correction of your claim submission problem.

Each request for special payment must be in writing. Each letter must state the exact nature of the OPPS billing problem(s) you are experiencing. Each must also include a description of actions being taken to correct the billing problem(s). In addition, each letter must state that you acknowledge that recovery of all special payments is to be completed within 90 days of the payment and that you will make a good faith effort to assure that recovery is made within that time frame. For providers currently under withhold for any reason, such withholding will continue to be applied against the biweekly payments. Your request will be forwarded to the regional office for approval. A sample special payment request letter is attached. **An original signed request is always required.** However, a provider may e-mail or fax a copy of its request ahead of the original copy to facilitate the initiation and preparation of the special payment. **However, a provider must submit an original signed paper request before the special payment can be released. The request for special payment must be signed by an official of the provider who is legally authorized to commit the provider to the repayment of special payments: that is, the administrator, chief executive officer, chief operating officer, or chief financial officer.**

Special payments for CHMCs are calculated based on the period from January 1 through April 30, 2000. Biweekly payments will be the total payments for that base period, divided by 8 and multiplied by 85 percent. If you were not paid for services in January 2000, the biweekly payment will be divided by the total amount paid for the remaining time in the above referenced base period by the appropriate number of bi-weekly periods and multiplied by 50 percent.

Providers with extenuating circumstances may request an extended repayment plan beyond the above noted 90 days. Approvals are expected to be very limited and are subject to the extended repayment schedule procedures outlined in the Medicare Intermediary Manual, Part 2, §§2219, 2223, and 2224. However, in no case is an extended repayment plan permitted to extend beyond April 1, 2001.

If you have questions, please contact (insert FI's name, department and phone number). Also, refer to HCFA's web site: <http://www.hcfa.gov>. Look on the homepage for the link to OPPS information. Thank you for your patience and cooperation.

Sincerely yours,

Provider Letterhead

Date

Provider #

Dear Fiscal Intermediary,

I am writing to request (specify one or two, no more than two may be requested at one time) special payments under OPSS Contingency Plan because (state the exact nature of the OPSS billing problem and steps taken to correct the problems). I understand that special payments for CHMCs are calculated based on the period from January 1 through April 30, 2000. Biweekly payments will be the total payments for that base period, divided by 8 and multiplied by 85 percent. (Or, if you were not paid for services in January 2000, the biweekly payment will be divided by the total amount paid for the remaining time in the above referenced base period by the appropriate number of bi-weekly periods and multiplied by 50 percent.) I understand that we may receive no more than four special payments under the OPSS Contingency Plan.

I understand that recovery of special payments must be made within 90 days of the payment. Recovery will be made by withholding Medicare Outpatient Part B claims at 100 percent until the special payments have been recouped, or through direct refund if not entitled to an equal or greater amount of payment during that 90 days. I understand that if the recovery withholding poses a difficulty I may request an extended repayment plan.

I certify that I am legally authorized to make financial commitments and assume financial obligations on behalf of this provider of care. If you have questions you may contact me at (insert phone number.)

Sincerely yours,

Name and Title of Individual Signing on Behalf of the Medicare Provider