MLN Matters®
Information for Medicare Fee-for-Service Health Care Professionals

News Flash – Section 3401(a) of the Patient Protection and Affordable Care Act (PPACA) imposes a 0.25 percentage point reduction to the Inpatient Prospective Payment System (IPPS) hospital's market basket for fiscal year (FY) 2010, effective for discharges on or after April 1, 2010. The reduction to the market basket will affect IPPS rates for discharges occurring on or after April 1, 2010, through September 30, 2010. Likewise, Section 3401(c) of PPACA imposes a 0.25 percentage point reduction to the Long Term Care Hospital's (LTCH) market basket for FY 2010, effective for discharges on or after April 1, 2010. The reduction to the market basket will affect LTCH rates for discharges occurring on or after April 1, 2010, through September 30, 2010. Section 3401(d) of PPACA imposes a 0.25 percentage point reduction to the Inpatient Rehabilitation Facility market basket for FY 2010, effective for discharges on or after April 1, 2010. This reduction is also resulting in changes to the standard payment conversion factor, payment rates, and the outlier threshold amount.

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Related CR Transmittal #: R696OTN | Implementation Date: June 7, 2010

Requirements for Hospital Attestation and Billing of Fiscal Year (FY) 2007 and 2008 Informational Only Inpatient Claims for Medicare Advantage Beneficiaries

Provider Types Affected

Hospitals submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare Advantage beneficiaries are impacted by this issue.

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) is requiring certain non-teaching hospitals subject to the Inpatient Prospective Payment System (IPPS), as well as facilities subject to the Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS) and the Long Term Care Hospital Prospective Payment System (LTCH PPS) to submit informational only bills for the Medicare Advantage beneficiaries they treat by August 31, 2010. In addition, hospitals will be required to submit an attestation to their Medicare contractor that they have either submitted all of their Medicare Advantage claims for FY 2007 and/or FY

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2008, or they have no Medicare Advantage claims for FY 2007 and/or FY 2008. Failure to furnish this information could result in the CMS issuance of a zero-percent Supplemental Security Income (SSI) ratio to calculate DSH payments or other action that may affect payments. See the Background and Additional Information Sections of this article for further details regarding these requirements.

Background

For all hospitals subject to the IPPS, IRF PPS, and LTCH PPS, Change Request (CR) 5647 (Transmittal 1311 dated July 20, 2007; see the related MLN Matters® article at *http://www.cms.gov/MLNMattersArticles/Downloads/MM5647.pdf* on the CMS website) required the submission of informational only Medicare Advantage claims. The inpatient days are needed for the Supplemental Security Income (SSI) ratio for fiscal years 2007 and beyond to accurately determine Medicare disproportionate share (DSH) payments for IPPS hospitals and low income patient (LIP) payments for IRF PPS hospitals.

CMS published the FY 2007 SSI ratios on the CMS website on June 24, 2009. These ratios are currently being used in the claims processing system for interim IPPS disproportionate share hospital (DSH) payments, interim IRF PPS low income patient (LIP) payments, and LTCH PPS short-stay outlier (SSO) payments. In addition, this data is used for other purposes such as evaluating the greater than 25 day average length-of-stay requirement of Medicare patients for LTC hospitals.

In reviewing the data used to compute the FY 2007 SSI ratios, CMS determined that many hospitals have not reported any Medicare Advantage days. Therefore, effective with CR 6821, all applicable IPPS, IRF PPS and LTC hospitals will be given one final opportunity to submit FY 2007 informational only claims. In addition, each applicable hospital must attest to their Medicare contractor that:

- It has submitted all of its Medicare Advantage claims for FY 2007, or
- It has no Medicare Advantage claims for FY 2007.

CMS will recalculate and repost the FY 2007 SSI ratios once the informational-only claims have been processed.

Although the FY 2008 SSI ratios have not yet been published, CMS believes that a significant number of hospitals have not submitted informational only Medicare Advantage claims to be included in their FY 2008 SSI ratios. Therefore, effective with CR 6821, applicable IPPS, IRF PPS and LTC PPS hospitals will be given a final opportunity to submit FY 2008 Medicare Advantage informational only claims. In addition, each applicable hospital shall attest to its Medicare contractors that:

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- It has submitted all of its Medicare Advantage claims for FY 2008 or
- It has no Medicare Advantage claims for FY 2008.

CMS will calculate and post the FY 2008 SSI ratios once the informational-only claims are processed.

Medicare Providers

If a Medicare provider believes that it has already submitted all of its Medicare Advantage claims or it does not have any Medicare Advantage claims for FY 2007 based on the currently posted FY 2007 SSI ratios, the provider must submit an attestation that states:

- That it has submitted all of its Medicare Advantage claims for FY 2007, or
- That it does not have any Medicare Advantage claims for FY 2007.

A Medicare provider will be in non-compliance with the instructions in CR 6821, if it does not submit all of its:

- Informational only Medicare Advantage claims for FY 2007 and FY 2008, and
- Attestations that all of its Medicare Advantage claims for FY 2007 and FY 2008 have been submitted or that it does not have any Medicare Advantage claims for these years.

The Medicare Advantage claims must be submitted on or before August 31, 2010 and the attestations must be received by the Medicare contractor on or before September 15, 2010.

Applicable IPPS Hospitals

CR 6821 applies to "non-teaching" IPPS hospitals that include an operating and/or capital DSH payment amount on their 2007 or 2008 Medicare hospital cost report. For purposes of CR 6821 only, "non-teaching IPPS hospitals" are defined as hospitals that do not train residents in approved medical residency training programs or that do not operate nursing and allied health (N&AH) education programs, and therefore, do not qualify to receive Indirect Medical Education (IME) payments, Direct Graduate Medical Education (DGME) payments, or N&AH payments.

Non-teaching hospitals that do not include an operating and/or capital DSH payment amount on their Medicare hospital cost report are exempt from the instructions in CR 6821 unless such hospital believes it would qualify for such a payment by submitting Medicare Advantage claims. A non-teaching hospital that has not previously included an operating and/or capital DSH payment amount on its cost report should notify its Medicare contractor if it believes it would qualify for such payment amount for FY 2007 and/or FY 2008 and should submit all of its

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Medicare Advantage claims and an attestation that it has submitted all of its Medicare Advantage claims.

Applicable IRFs

CR 6821 applies to IRFs that have not submitted any Medicare Advantage claims in accordance with CR 2476 for the purpose of receiving DGME or N&AH payments. IRFs that do not claim LIP on their Medicare cost report are exempt from the instructions in CR 6821 unless the provider believes it would qualify for such a payment by submitting Medicare Advantage claims. An IRF that has not previously included a LIP payment amount on its cost report should notify its Medicare contractor if it believes it would qualify for such a payment amount for FY 2007 and/or FY 2008 and should submit all of its Medicare Advantage claims and an attestation that it has submitted all of its Medicare Advantage claims.

Applicable LTC Hospitals

CR 6821 applies to LTC hospitals that have not submitted any Medicare Advantage claims in accordance with CR 2476 for the purpose of receiving DGME or N&AH payments.

FY 2007 SSI Ratios

The FY 2007 SSI ratios are currently posted on the CMS website.

The IPPS SSI ratios are located at *http://www.cms.gov/AcuteInpatientPPS/05_dsh.asp#TopOfPage* on the CMS website. The IRF SSI ratios are located at *http://www.cms.gov/InpatientRehabFacPPS/05_SSIData.asp#TopOfPage* on the CMS website. The LTCH SSI ratios are located at *http://www.cms.gov/LongTermCareHospitalPPS/08_download.asp#TopOfPage* on the CMS website.

Billing

Applicable non-teaching IPPS hospitals, IRFs and LTC hospitals have until August 31, 2010 to submit FY 2007 and FY 2008 Medicare Advantage informational only claims (111 Bill Type with Condition Code 04). Medicare Contractors have been instructed to override timely filing for claims submitted in accordance with CR 6821.

Hospitals are reminded that this requirement applies to claims for discharges during FY 2007 and FY2008 and that Condition Code 04 should be used on claims for beneficiaries they treat who are in Risk Medicare Advantage plans. (The HMO option code indicator can be seen on the HIQA or ELGA screen as A, B, or C.)

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Attestation

Applicable non-teaching IPPS hospitals, IRFs and LTC hospitals should submit an attestation to their Medicare contractor attesting that they have submitted all of their Medicare Advantage claims for FYs 2007 and 2008. The attestation is included as an attachment to CR 6821 and should be

- Printed on hospital letterhead and signed by a Senior Hospital Officer or Administrator, and
- Received by the Medicare contractor no later than September 15, 2010.

Additional Information

The official instruction, CR 6821, issued to your FI and A/B MAC regarding this change may be viewed at *http://www.cms.gov/Transmittals/downloads/R696OTN.pdf* on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at *http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.

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