DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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  - April 18, 2013 – Begin Transitioning to ICD-10 in 2013

MLN Matters® Number: SE1342

Related Change Request (CR) #: 7760

Related CR Release Date: July 18, 2012

Effective Date: October 1, 2012

Related CR Transmittal #: R2495CP

Implementation Date: October 1, 2012

Systematic Validation of Payment Group Codes for Prospective Payment Systems (PPS) Based on Patient Assessments

Provider Types Affected

This MLN Matters® Special Edition Article is intended for Inpatient Rehabilitation Facilities (IRF's) submitting claims to Medicare A/B Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

What You Need to Know

This article conveys editing requirements within the Fiscal Intermediary Shared System (FISS) system, for Inpatient Rehabilitation Facility Prospective Payment System (IRF PSS) claims and the matching process with the IRF-Patient Assessment Instrument (PAI). Make sure billing staff are aware of these changes.

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Background

Section 1886(j)(2)(D) of the Social Security Act (http://www.socialsecurity.gov/OP_Home/ssact/title18/1886.htm)requires IRFs to transmit sufficient patient data to allow the Centers for Medicare & Medicaid Services (CMS) to administer the IRF prospective payment system. These data are necessary to assign beneficiaries to the appropriate case-mix groups, to monitor the effects of the IRF PPS on patient care and outcomes, and to determine whether adjustments to the case-mix groups are warranted.

To administer the PPS, CMS requires IRFs to electronically transmit a PAI for each IRF stay to CMS's National Assessment Collection Database (the Database). Each IRF must report the date that it transmitted the PAI to the Database on the claim that it submits to the MAC. If an IRF transmits the PAI more than 27 calendar days from (and including) the beneficiary's discharge date, the IRF's payment rate for the applicable case-mix group should be reduced by 25 percent.

The Office of Inspector General (OIG) has recommended in various reports, that CMS consider establishing a process that would allow the FISS to interface with the CMS National Assessment Collection Database to identify, on a prepayment basis, IRF claims with incorrect PAI transmission Health Insurance Prospective Payment System (HIPPS) codes and/or dates.

In CR7760, Medicare systems were enhanced to allow communication with the CMS National Assessment Collection Database for IRF-PAI. This will ensure that the HIPPS code on claims received by MACs match the payment group on the IRF-PAI received by the CMS's National Assessment Collection Database and ensure the late assessment reduction is applied accurately. The system changes required by this enhancement were considerable and required an extended testing period to validate the effectiveness of the communication via file transfers between FISS and the CMS National Assessment Collection Database. Such testing is ongoing.

The first step was to ensure that the enhancements worked correctly in a test environment, then to validate that the same processes worked in production environments. We conducted a one (1) day production validation in November 2013. It was determined that an extended period of validation was needed in production to test all the aspects of the new matching process, so a two (2) week validation period was approved starting on December 6, 2013.

IRF claims submitted to FISS, during the two (2) week validation period will suspend with Reason Code 37069. These claims will suspend in status Location S-MFRX0 while FISS communicates with the CMS National Assessment Collection Database requesting for a match of the claim with the assessment to be made and additional information submitted on the assessment. Each nightly cycle the Status/Location changes the last digit until 4 nightly cycles are completed (i.e., S-MFRX1, S-MFRX2, S-MFRX3, and S-MFRX4. If no return file is received after the 4th nightly cycle the claim is released to continue processing. If a return file is received by the A/B MAC, the following outcomes are possible:

- A match is found. Claim information matches the IRF-PAI HIPPS and transmission date, so the claim will continue processing;

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- A match is found. Claim information matches the IRF-PAI HIPPS, but the transmission date is **different** causing the claims processing system to use the date documented at the CMS National Assessment Collection Database for claims processing purposes. If it is determined that the IRF-PAI was transmitted late based on the information found on the CMS National Assessment Collection Database, then the 25% penalty will be applied;
- A match is found. Claim information does **not** match the IRF-PAI HIPPS information, but the transmission date matches causing the claims processing system to use the assessment HIPPS information documented at the CMS National Assessment Collection Database for claims processing purposes;
- A match is found. Claim information does **not** match IRF-PAI HIPPS information, and the transmission date information is **different** causing the claims processing system to use the assessment HIPPS information and date documented at the CMS National Assessment Collection Database for claims processing purposes;
- A match is not found. Claim information is submitted, however **no corresponding** IRF-PAI **match** is found at the CMS National Assessment Collection Database causing the claim to Return to Provider (RTP) with Reason Code 37096;

Feedback from MACs and providers during this validation process has been very positive with the exception of one (1) issue that had not been anticipated. It appears that providers are submitting claims to their MAC prior to the IRF-PAI completing processing at the CMS National Assessment Collection Database. This causes Reason Code 37096 to return the claim to the provider. It is important to remember that prior to submission of your IRF claim to FISS, you must have an IRF-PAI that has completed processing at the CMS National Assessment Collection Database. The provider can verify this by reviewing their IRF-PAI validation report.

If a provider has inadvertently submitted their claim prior to IRF-PAI completing processing and it has RTP'd with Reason Code 37096, simply resubmit claim once the IRF-PAI has completed processing at the CMS National Assessment Collection Database. This will require communication between the provider's billing office and their clinical staff that submits their IRF-PAI to the CMS National Assessment Collection Database. If you are using a provider/vendor created software to code your claims and transmitting your IRF-PAI to the CMS National Assessment Collection Database at a later point, you are reminded that you cannot submit your claim until the IRF-PAI has completed processing at the CMS National Assessment Collection Database. There is no need to call the QIES Technical Support Office (QTSO) help desk for such billing issues.

If a provider has submitted an IRF-PAI prior to submission of the claim with information that is different from the claim submission for any of the following information:

- Beneficiary HIC number (IRF-PAI item 2);
- Beneficiary date of birth (IRF-PAI item 6);
- Provider CCN (IRF-PAI item 1B);
- Claim statement covers through dates (IRF-PAI item 40); and

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- Claim admission date (IRF-PAI item 12).

The claim or the IRF-PAI should be corrected (depending on which item had the error) prior to the claim submission. If the claim is submitted without correcting the appropriate information, the matching IRF-PAI will not be found since it does not exist and the claim will be RTP'd with Reason Code 37096.

However, most cases that have been brought to our attention are showing that the claim is being submitted one (1) day prior to the finalization of the IRF-PAI at the CMS National Assessment Collection Database. Providers may want to add an additional claim hold day(s) on their claim submission to allow IRF-PAI completing processing and to avoid claims being RTP'd with Reason Code 37096.

To assist providers with the appropriate contact information the attached charts have been provided.

Additional Information

You may want to review the related article to CR7760 at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7760.pdf on the CMS website.

If you have any questions, please contact your MAC at their toll-free number, which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.

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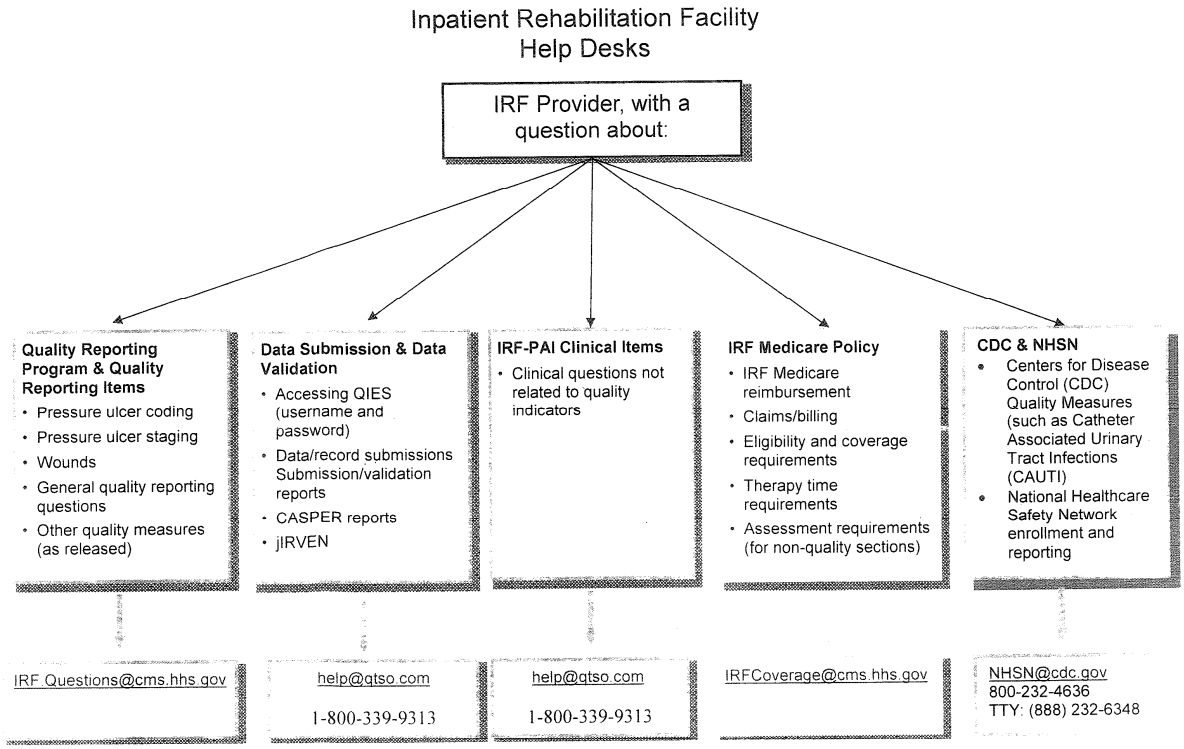
Attachment #1

Sect. 3004-IRF
RTI International
November 16, 2012



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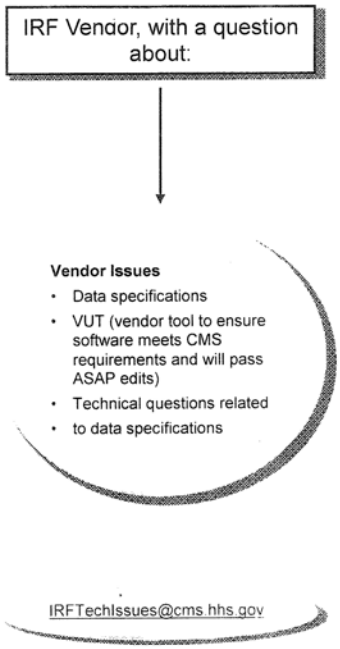
Attachment #2

Sect. 3004-IRF
RTI International
November 16, 2012



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