CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 718

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: October 21, 2005

CHANGE REQUEST 3881

SUBJECT: Source of Admission Code 'D'

I. SUMMARY OF CHANGES: The CMS has requested and received a new Source of Admission code to define transfers from hospital inpatient in the same facility resulting in a separate claim to the payer. Both FISS and CWF must accept this code as a valid Source of Admission code. We will also be updating IPF Pricer to bypass the emergency department adjustment when this code is present.

NEW/REVISED MATERIAL :
EFFECTIVE DATE : April 1, 2006
IMPLEMENTATION DATE : April 3, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

*Unless otherwise specified, the effective date is the date of service.

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 718	Date: October 21, 2005	Change Request 3881

SUBJECT: Source of Admission Code 'D'

I.   GENERAL INFORMATION

A.   Background: The CMS requested and received a new Source of Admission code from the National Uniform Billing Committee to define transfer from hospital inpatient in the same facility resulting in a separate claim to the payer. The Source of Admission code is a required code for Medicare and indicates the source of this admission.

B.   Policy: Medicare would expect this code to be used wherever it might apply; i.e. by distinct part units in acute hospitals, by a unit in a critical access hospital, or by a swing bed located in an acute hospital.

This new code will have some specific consequences for the inpatient psychiatric facilities (IPF). The IPF PPS has a payment adjustment to the first day of an inpatient psychiatric stay if the facility has a dedicated emergency department. This is a facility level adjustment, not a patient level adjustment. The Medicare FI annotates the provider specific file with a "Y" if the provider is determined to have a dedicated emergency department. The payment adjustment is not to be applied if the patient is transferred from the acute area to the IPF in the same hospital. This is because the costs for the emergency department are already considered in the DRG payment to the acute hospital. CMS is currently overriding the "Y" in the provider specific file (PSF), if the claim is billed with a source of admission 4 (we originally thought the policy applied for any transfer from acute). The 4 is too broad for this scenario, therefore, we will now override the "Y' in the PSF when Source of Admission 'D' is present.

II.   BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3881.1	Medicare contractors shall accept new Source of Admission code D as a valid Source of Admission code.	X	X			X				

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3881.2	FISS shall install a new IPF Pricer 052 with the April 2006 release. This version will replace all prior IPF Pricer versions and calculate claims with discharges on or after January 1, 2005.					X				

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3881.3	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A.   Other Instructions: These instructions pertain particularly to IPFs:

X-Ref Requirement #	Instructions
3881.1	IPF PPS providers shall review all claims submitted with Source of Admission 4. IPFs shall adjust claims submitted with Source of Admission 4 that should be coded the new Source of Admission D. Payment shall remain the same. IPFs shall resubmit their claims coded correctly with Source of Admission code 4 that were paid incorrectly (i.e not given the emergency room adjustment when facility has an emergency department).

B.   Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
3881.2	The IPF Pricer version 052 shall be modified to not allow the emergency department adjustment when Source of Admission Code D is present. Pricer shall remove Source of Admission code 4 from the logic.

C.   Interfaces: IPF Pricer version 052.

D.   Contractor Financial Reporting /Workload Impact: N/A

E.   Dependencies: N/A

F.   Testing Considerations: N/A

V.   SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: April 1, 2006 **Implementation Date:** April 3, 2006 **Pre-Implementation Contact(s):** Sarah Shirey at sarah.shirey-losso@cms.hhs.gov **Post-Implementation Contact(s):** Appropriate regional office	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.**

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