



MLN Connects[®]

National Provider Call

Hospital Appeals Settlement

November 16, 2016



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Agenda

- Background
- Overview
- Proposed Settlement
- Process Overview
- Major Changes from 2014
- Questions and Answers

Background

- In August 2014, CMS made available to hospitals an administrative settlement process in which, if approved for participation, hospitals willing to withdraw their pending eligible appeals could receive timely partial payment (at 68% of the net allowable amount) for the claims associated with those appeals. This process was intended to alleviate administrative burden for all parties involved.

Overview

- Beginning December 1, 2016, CMS will allow eligible providers to settle their inpatient status claims using an administrative settlement process similar to the process used to resolve such claims in 2014.
- CMS is making available an administrative agreement to eligible hospitals willing to withdraw their pending appeals in exchange for timely partial payment (66% of the net allowable amount).

Proposed Settlement

- CMS is proposing to make a partial payment:
 - 66% percent of the net payable amount of the denied inpatient claims
 - Hospitals agree to the dismissal of all associated appeals
 - Accept the settlement as final administrative and legal resolution of the eligible claims

Eligible Providers

- The following facility types are generally ELIGIBLE to submit a settlement request:
 - Acute Care Hospitals, including those paid via Prospective Payment System (PPS), Periodic Interim Payment (PIP), and Maryland waiver;
 - Critical Access Hospitals (CAH)
- The following facility types are NOT ELIGIBLE to submit a settlement request:
 - Psychiatric hospitals paid under the Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS);
 - Inpatient Rehabilitation Facilities (IRFs);
 - Long-Term Care Hospitals (LTCHs);
 - Cancer hospitals; and
 - Children’s hospitals.

Eligible Claims

1. Denied by a MAC, RAC, CERT, OIG, or ZPIC
2. For Fee-for-Service Medicare
3. Denied based on “patient status”
4. Date of Admission prior to 10/1/2013
5. The hospital timely appealed the denial
6. As of the date the hospital submitted the initial agreement to CMS, the appeal was still pending or the hospital had not yet exhausted its appeal rights
7. The hospital did not receive payment for the service as a Part B claim

Proposed Settlement: Initiation of Process

- Hospitals will complete an Expression of Interest, this document can be found at <http://go.cms.gov/HASP2016>
- The Subject Line of the Email to CMS should include; *“Provider Name-Provider Number (6-digit PTAN)- Expression of Interest”*
- Completed Expressions of Interest should be emailed to CMS at MedicareAppealsSettlement@cms.hhs.gov on or before **JANUARY 31, 2017**

Proposed Settlement: CMS Creates List

- CMS receives Expression of Interest and generates list of potentially eligible claims
- If Hospital meets eligibility criteria, CMS will email a copy of the Administrative Agreement and a spreadsheet listing claims eligible for settlement to the Hospital

Otherwise eligible providers may be excluded from this settlement process based on pending False Claims Act cases or other investigations

Proposed Settlement: Hospital Validates List

- Hospital receives Administrative Agreement and spreadsheet and reviews spreadsheet for accuracy
 - If Hospital is in agreement with claims included on spreadsheet, Hospital signs Administrative Agreement and sends back to CMS at MedicareAppealsSettlement@cms.hhs.gov within 15 calendar days
 - The Provider should reply to the email received from CMS
 - If Hospital finds discrepancies on the claim spreadsheet, they must fill out the *Eligibility Determination Request* located on the HASP website and submit to CMS within 15 calendar days

Proposed Settlement: Administrative Agreement

- CMS receives signed Administrative Agreement and counter signs the Agreement
- Administrative Agreement and Spreadsheet are sent to Hospital's Medicare Administrative Contractor (MAC) for processing, final validation, and payment

Proposed Settlement: Payment & Appeal Dismissal

- Payment will be made within 180 days of the CMS signature on the Administrative Agreement.
- Single payment (EFT or otherwise) per hospital provider number or per owner or operator of multiple setting hospitals
- Provider shall not seek additional payment from the Medicare beneficiary or collect any deductible or coinsurance amount
 - May retain amounts already paid
- Appeals are dismissed following payment

Major Changes from 2014 Process

- Providers will submit an Expression of Interest, and CMS will create a list of potentially eligible appeals, instead of the provider creating the list.
- Providers will verify the list of potentially eligible appeals compiled by CMS, instead of the provider compiling and submitting a list of claims to CMS for verification.

Major Changes from 2014 Process

- Providers will sign the administrative agreement when they agree to the list and commit to the settlement, instead of signing the agreement first and then deciding to proceed with or abandon the process.
- The Medicare Administrative Contractors (MACs) will price the appeals included in the agreement after the agreement has been signed by both parties, instead of pricing the claims up front.
- There will only be one payment made, instead of two rounds.

Resources

- Website: <http://go.cms.gov/HASP2016>
- CMS Email Address for submissions:
MedicareAppealsSettlement@cms.hhs.gov
- CMS Email Address for questions:
MedicareSettlementFAQs@cms.hhs.gov

Question and Answer Session

Acronyms in this Presentation

- **CMS**- Centers for Medicare and Medicaid Services
- **PPS**- Prospective Payment System
- **PIP**- Periodic Interim Payment
- **CAH**- Critical Access Hospital
- **IPF PPS**- Inpatient Psychiatric Facilities Prospective Payment System
- **IRF**- Inpatient Rehabilitation Facilities
- **LTCH**- Long Term Care Hospitals
- **MAC**- Medicare Administrative Contractor
- **RAC**- Recovery Audit Contractor
- **CERT**- Comprehensive Error Rate Testing
- **OIG**- Office of Inspector General
- **ZPIC**- Zone Program Integrity Contractor
- **EFT**- Electronic Funds Transfer

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