



Related MLN Matters Article #: MM5354

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Related CR #: 5354

New Edits Established to Enforce Proper Transfer Coding and Payment in Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS) Claims

Key Words

MM5354, CR5354, R1099CP, Transfer, Coding, Payment, IRF, PPS, Claims

Provider Types Affected

Inpatient Rehabilitation Facilities (IRFs) submitting claims to Medicare Fiscal Intermediaries (FIs) or Part A/B Medicare Administrative Contractors (A/B MACs) for services provided to Medicare beneficiaries

Key Points

- The effective date of instruction is April 1, 2007.
- The implementation date is April 2, 2007.
- In response to a recommendation by the Office of the Inspector General (OIG), the Centers for Medicare & Medicaid Services (CMS) will implement edits, effective April 1, 2007, to match **beneficiary discharge dates** with **admission dates to other providers** in order to identify potentially miscoded claims.
- Claims identified as transfers will be canceled back to the provider for correction and thus ensure proper payment.
- MLN Matter article, MM5354, is based on Change Request (CR) 5354, which informs the providers' FIs that these edits will be implemented within Medicare's Common Working File (CWF).
- For the Inpatient Rehabilitation Facility-Prospective Payment System (IRF-PPS), transfer cases are defined as those in which a Medicare beneficiary is transferred to either:
 - Another rehabilitation facility (patient status code 62),
 - A long term care hospital (patient status code 63),
 - An inpatient hospital (patient status code 02), **or**
 - A nursing home that accepts payment under either the Medicare program and/or the Medicaid program (patient status codes 03, 61, or 64); **AND**

- The length of stay (LOS) of the case is less than the average length of stay (ALS) for a given Case-Mix Group (CMG).
- The transfer policy consists of a per diem payment amount which is calculated **by dividing 1)** the per discharge CMG payment rate **by 2)** the average LOS for the CMG.
- Medicare will pay transfer cases a per diem amount, and an additional half-day payment for the first day. Transfer payments will be calculated by:
 - First adding the LOS of the case to 0.5 (to account for the addition of the half-day payment for the first day), and
 - Then multiplying the result by the CMG per diem amount.

Note: IRFs should note that timely filing rules will apply to resubmitted claims.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5354.pdf> on the CMS web site.

The official instruction (CR5354) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1099CP.pdf> on the CMS web site.

If providers/suppliers have questions, they may contact their Medicare Fiscal Intermediary (FI) or Part A/B Medicare Administrative Contractor (A/B MAC) at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS web site.