



Related MLN Matters Article #: MM5955

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Related CR #: 5955

Changes to the Long Term Care Hospital Prospective Payment System (LTCH PPS) Pricer based on the Medicare, Medicaid and State Children's Health Insurance Program (SCHIP) Extension Act of 2007

Key Words

MM5955, CR5955, R1474CP, CAP, SCHIP, PPS, LTCH

Provider Types Affected

LTCHs submitting claims to Medicare Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs) for services provided to Medicare beneficiaries

Key Points

- The effective date of the instruction is April 1, 2008.
- The implementation date is April 7, 2008.
- Change Request (CR) 5955 instructs that effective for discharges occurring on or after April 1, 2008, through June 30, 2008, the Federal rate for rate year (RY) 2008 will be \$38,086.04, and the revised high cost outlier fixed-loss amount is \$20,707.
- The Medicare, Medicaid, and SCHIP Extension Act of 2007, enacted on December 29, 2007:
 - Postponed implementation of a portion of the Short Stay Outlier (SSO) payment adjustment formula effective upon enactment for a period of 3 years, and
 - Revised the Federal rate for RY 2008 by providing that the base (that is, Federal) rate for RY 2008 be the same as the base rate for discharges for the hospital occurring during the rate year ending in 2007 (applicable to discharges occurring on or after April 1, 2008).
- The Centers for Medicare & Medicaid Services made the change to the SSO policy immediately. The updated LTCH Pricer was in production within the Medicare claims processing system on January 28, 2008.
- Medicare contractors were instructed to reprocess SSO claims within 60 days.
- The Federal rate for RY 2007 was \$38,086.04.
- Consequently, the Federal rate for RY 2008 will also be \$38,086.04 (effective for discharges occurring on or after April 1, 2008, and on or before June 30, 2008).

- In order to maintain estimated total payments for high cost outlier cases at 8 percent of the estimated total payments, the revised high cost outlier fixed-loss amount is \$20,707 (effective for discharges occurring on or after April 1, 2008, and on or before June 30, 2008). This is consistent with the existing regulations at 42 Code of Federal Regulations 412.525(a).

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5955.pdf> on the CMS website.

The official instruction (CR5955) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1474CP.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their FI or 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 website.