



Provider Inquiry Assistance

Claim Adjustments to Correct Home Health Prospective Payment System (HH PPS) Payment Errors – JA6250

Related CR Release Date: October 31, 2008

Date Job Aid Revised: November 13, 2008

Effective Date: Episodes beginning on or after January 1, 2008

Implementation Date: February 2, 2009

Key Words	MM6250, CR6250, R397OTN, HH PPS, Payment, CR5877, MM5877, Home
Contractors Affected	Regional Home Health Intermediaries (RHHIs)
Provider Types Affected	HH Agencies (HHAs) billing RHHIs for services provided to Medicare beneficiaries



Change Request (CR) 6250 provides the instructions and schedule for correcting payment errors that resulted from a number of software problems associated with the implementation of the HH PPS case-mix refinement.

Provider Needs to Know...

- The errors that resulted in overpayments and underpayments to the HHAs are described as follows:
 1. The January 1, 2008, version of the HH PPS Pricer software contained an error that caused the supply add-on amount to be paid on episodes that began in 2007 and spanned January 1, 2008. The supply add-on is properly only applicable for episodes beginning on or after January 1, 2008. This error resulted in overpayments of the minimum supply add-on amount of \$14.12.

Claims affected: Any HH PPS final claim with a "From" date in 2007 and a "Through" date in 2008 which was processed between January 1, 2008, and February 4, 2008.

2. The January 1, 2008, version of the HH PPS Pricer software contained an error that prevented appropriate upcoding of claims containing exactly 20 therapy visits, but which reported a HIPPS code projecting a lower number of therapy visits. This error resulted in underpayments due to claims being paid at a lower-weighted health insurance PPS (HIPPS) code than was appropriate for the services billed.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008 which reported 20 therapy visits and which was processed between January 1, 2008, and February 4, 2008. **NOTE: An HHA with claims affected by this error must request an adjustment from their RHHI.**

3. The January 1, 2008, version of the HH PPS Pricer software failed to wage adjust the low utilization payment adjustment (LUPA) add-on payment. This error resulted in overpayments for services provided to beneficiaries who reside in areas where the wage index is less than 1.0. The error resulted in underpayments for services provided to beneficiaries who reside in areas where the wage index is greater than 1.0.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008, with four or fewer visits, which was the first episode in a sequence of related episodes and which was processed between January 1, 2008, and February 4, 2008. Adjustments to these claims are scheduled as part of CR5877. (See the related MLN Matters article at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5877.pdf> on the CMS website.)

4. The January 1, 2008, version of the HH PPS Pricer software paid the full non-routine supply add-on amount on claims for episodes subject to partial episode payment (PEP) adjustment. The supply add-on should have been prorated on a basis of days along with the remainder of Medicare's payment for the episode. The error resulted in overpayments that varied in amount depending on the non-routine supply severity level that applied and the number of days in the PEP proration.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008 which was subject to a PEP adjustment and which was processed between January 1, 2008, and February 4, 2008.

5. The February 4, 2008, version of the HH PPS Pricer software corrected the wage-adjustment of LUPA add-on payments but created an additional problem in which the LUPA add-on amount was paid on all HH visit lines on the claim. The LUPA add-on should properly only be paid on the earliest dated HH visit line on a claim. The error resulted in overpayments that varied in amount depending on how many visit lines were included on the claim.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008, with four or fewer visits, which was the first episode in a sequence of related episodes and which was processed between February 4, 2008, and March 10, 2008. Adjustments to these claims also are scheduled as part of CR5877.

6. Medicare's Common Working File system failed to recognize episodes that occurred in 2007 when determining episode sequences. This caused claims for later episodes to be recoded and paid as early episodes in error. This error resulted in underpayments since under the refined HH PPS later episodes have higher HIPPS code weights.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008, with a HIPPS code indicating a later episode for which the one of the first two episodes in the sequence of related episodes occurred in 2007 and which was processed between January 1, 2008, and July 7, 2008.

7. The March 10, 2008, version of the HH PPS Pricer software, as well as all previous versions, contained an incorrect per-visit rate for speech-language pathology (SLP) services. The Pricer reflected the SLP rate of \$124.54, as published in the original HH PPS final rule, rather than the corrected amount of \$124.65, as published in the correction notice to that rule. This error resulted in small underpayments in the calculation of LUPA and outlier payments.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008, which was subject to LUPA or outlier payment adjustments and which was processed between January 1, 2008, and August 4, 2008.

8. The March 10, 2008, version of the HH PPS Pricer software, as well as all previous versions, contained an error in recoding logic that prevented the clinical domain value of the HIPPS code to be changed appropriately in certain cases. If the grouping step for the episode changed to step one during processing and the corresponding clinical severity value in the treatment authorization code was 'G' or 'N,' the clinical domain value in the HIPPS code was assigned to an incorrectly low weight. This error resulted in underpayments.

Claims affected: Any HH PPS final claim with a "From" date on or after January 1, 2008, which was recoded to a HIPPS code with '2' in the first position, which was processed between January 1, 2008, and August 4, 2008.

9. The August 4, 2008, version of the HH PPS Pricer software did not contain the 2008 wage index file. As a result, all HH claims processed after the version was installed paid incorrectly using the 2007 wage index. This error may have resulted in overpayments or underpayments depending on whether the wage index for a given Core Based Statistical Area increased or decreased between 2007 and 2008.

Claims affected: Any HH PPS final claim with a "Through" date on or after January 1, 2008, which was processed between August 4, 2008, and August 18, 2008.

- Claims affected by these errors are those submitted on bill types 32x and 33x, excluding types 322 and 332.
 - RHHs will process these corrections without any action from the provider, except for item number 2, as noted above.
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Background

- Medicare implemented refinements to the HH PPS case-mix model effective for episodes beginning on or after January 1, 2008.
- Medicare systems did not correctly implement certain requirements of the HH PPS refinements initially, and errors subsequently resulted in incorrect payments to HHAs during the first two quarters of calendar year 2008.
- Certain errors resulted in overpayments to the HHAs, while others resulted in underpayments.

Operational
Impact

N/A

Reference
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6250.pdf> on the CMS website.

The official instruction (CR6250) issued regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R3970TN.pdf> on the CMS website.
