



Skilled Nursing Facility (SNF) Health Insurance Prospective Payment System (HIPPS) Coding Updates Effective October 1, 2010 – JA6916

Related CR Release Date: April 28, 2010 **Revised**

Date Job Aid Revised: November 17, 2010

Effective Date: October 1, 2010

Implementation Date: October 4, 2010

Note: JA6916 was revised to add a reference to MLN Matters® article MM7034 (<http://www.cms.gov/MLN MattersArticles/downloads/MM7034.pdf>), which describes the updates to the payment rates used under the PPS for SNFs, for FY 2011. This link is also added in the Reference Materials section.

Key Words	MM6916, CR6916, R1958CP, SNF, HIPPS, PPS
Contractors Affected	<ul style="list-style-type: none"> • Part A/B Medicare Administrative Contractors (A/B MACs) • Fiscal Intermediaries (FIs)
Provider Types Affected	SNFs billing FIs and/or A/B MACs for services paid under the SNF HIPPS.



Change Request (CR) 6916 describes major changes to the SNF HIPPS case-mix system.

Provider Needs to Know...

- The Centers for Medicare & Medicaid Services (CMS) has announced that effective October 1, 2010, they are revising the SNF HIPPS case-mix system.
 - The revised system will include 66 resource utilization groups (RUGs).
 - This revised system is called the RUG-IV coding system.
 - CR6916 contains an addendum with new HIPPS codes resulting from the conversion to
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the new RUG-IV coding system.

- The 5-digit HIPPS codes include the 3-digit classification code assigned to each RUG group and newly defined 2-digit assessment indicators that specify the type of assessment used to support billing.

Recent legislation postponed implementation of the RUG-IV system until October 1, 2011. However, CMS is including new HIPPS codes that are included in the RUG-IV system into the standard system effective October 1, 2010. Further direction on HIPPS usage for October 1, 2010 is forthcoming.

Background

- Annual updates to the PPS rates for SNFs are required by
 - Section 1888(e) of the Social Security Act (the Act), as added by Section 4432 of the Balanced Budget Act of 1997 (Pub. L. 105–33, enacted on August 5, 1997) and amended by the Medicare, Medicaid, and State Children’s Health Insurance Program (SCHIP) Balanced Budget Refinement Act of 1999 (BBA) (Pub. L. 106–113, enacted on November 29, 1999);
 - The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (Pub. L. 106–554, enacted on December 21, 2000); and
 - The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. 108–173, enacted on December 8, 2003).
 - CMS most recent annual update occurred in a final rule (74 FR 40289, August 11, 2009) that set forth updates to the SNF PPS payment rates for Fiscal Year (FY) 2010.
 - Under the BBA, each update of the SNF PPS payment rates must include the case-mix classification methodology applicable for the coming Federal FY.
 - The FY 2011 payment rates reflect the use of the RUG-IV system that was discussed in detail in the proposed and final rules for FY 2010.
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Operational Impact

N/A

Reference Materials

The related MLN Matters® article can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM6916.pdf> on the CMS website.

The official instruction (CR6916) regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R1958CP.pdf> on the CMS website.

Providers may want to review MLN Matters® article MM7034, which describes the updates to the payment rates used under the PPS for SNFs, for FY 2011. MM7034 may be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM7034.pdf> on the CMS website
