



## Implementation of the Interrupted Stay Policy under the Inpatient Psychiatric Facility Prospective Payment System (IPF PPS) – JA7044

Related CR Release Date: July 29, 2010

Date Job Aid Revised: August 23, 2010

Effective Date: January 1, 2011

Implementation Date: January 3, 2011

**Key Words** MM7044, CR7044, R2009CP, Interrupted, Stay, IPF, PPS

**Contractors Affected**

- Part A/B Medicare Administrative Contractors (A/B MACs)
- Fiscal Intermediaries (FIs)

**Provider Types Affected**

IPFs submitting claims to Medicare FIs or A/B MACs for services provided to Medicare beneficiaries are affected.



Change Request (CR) 7080 responds to the findings of the report issued by the Office of Inspector General (OIG) entitled: *Nationwide Review of Medicare Payments for Interrupted Stays at Inpatient Psychiatric Facilities for Calendar Years 2006 and 2007, (A-01-09-00508)*.

### Implementation of the Interrupted Stay Policy

**Provider Needs to Know...**

- Based on findings in this report, the Centers for Medicare & Medicaid Services (CMS) is implementing the interrupted stay policy where the patient is admitted to another IPF before midnight on the third consecutive day following discharge from the original IPF stay.

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### What Is An Interrupted Stay

- An interrupted stay is a case in which a patient is discharged from an IPF and is readmitted to the same IPF or another IPF before midnight on the third consecutive day following discharge from the original IPF stay.
- Interrupted stays are considered to be continuous for the purposes of applying the variable per diem adjustment, regardless if the interrupted stay is to the same IPF or not.
- Interrupted stays are considered to be continuous in determining outlier payments only when the interrupted stay is to the same IPF.
- In other words, an interrupted stay is treated as one stay and one discharge for the purpose of the IPF PPS payment.

### Medicare System Edits

- Medicare system edits will be put in place to identify claims that qualify as interrupted stays by examining incoming claims and comparing them to other IPF claims in Medicare's claims history files.
- When Medicare detects a claim that shows an interrupted stay, the Medicare contractor will adjust the appropriate claim(s) (including claims in history, if necessary) in date of service sequence order to reflect a reduction in payment due to the variable per diem adjustment being applied from an interrupted stay.

### When a Claim Adjustment Is Performed

- When Medicare performs the above adjustment, it will use the following messages to alert the IPF:
  - Claim Adjustment Reason Code of 45 (Contractual Adjustment);
  - Remittance Advice Remark Code of NXX (*PPS (Prospect Payment System) payment adjusted during adjudication. Variable per diem adjustment changed due to interrupted stay policy.*); and
  - Contractual Obligation Code of CO.

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### Background

- Section 124 of the Medicare, Medicaid, and State Children's Health Insurance Program Balanced Budget Refinement Act of 1999 (BBRA) (Pub. L.106-113) mandated that the Secretary develop a per diem PPS for inpatient hospital services furnished in psychiatric hospitals and psychiatric units.
  - The IPF PPS was implemented in January 2005.
  - One aspect of the IPF PPS included an interrupted stay policy.
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Operational Impact	N/A
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Reference  
Materials

The related MLN Matters® article can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM7044.pdf> on the CMS website.

The official instruction (CR7044) regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R2009CP.pdf> on the CMS website.

A fact sheet discussing the IPF PPS may be viewed at <http://www.cms.gov/MLNProducts/downloads/InpatientPsychFac.pdf> on the CMS website

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