



Related MLN Matters Article #: MM3309

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Related CR #: 3309

**MMA - Expansion of Policy Where Patient is a Member of a Medicare Advantage (MA) Organization for Only a Portion of the Billing Period, to Include Inpatient Rehabilitation Facilities (IRFs) and Long-Term Care Hospitals (LTCHs) (MMA section 211(e))**

### Key Words

MM3309, CR3309, R207CP, Inpatient, Rehabilitation, IRF, LTCH, MA, MMA

### Provider Types Affected

Hospitals (specifically IRF and Long-Term Care Hospitals)

### Key Points

- The effective date of the instruction is January 1, 2004.
- The implementation date is July 19, 2004.
- The Code of Federal Regulation (42 CFR 422.264) outlined a policy for coverage in a MA organization that begins or ends during an inpatient stay for hospitals paid under the Prospective Payment System (PPS).
- **The rule states that the patient's status at admission determines liability.**
- The Medicare Modernization Act of 2003 (MMA) expanded this policy to include beneficiaries in an IRF or LTCH who are in a MA organization for only a portion of the billing period.
- The terminology, "Medicare Advantage" organization, will now be used instead of "Medicare + Choice" organization.
- Two factors determine whether the MA organization is liable for the payment where a patient either enrolls or disenrolls in a MA organization during a period of service:
  - Whether the provider is included in inpatient hospital or home health PPS, and
  - The date of enrollment.

- These changes are reflected in Chapter 1, Section 90 of the *Medicare Claims Processing Manual*, which may be viewed at <http://www.cms.hhs.gov/manuals/downloads/clm104c01.pdf> on the CMS website.

### Hospital Services

- If the provider is an inpatient of an acute care hospital, IRF, or a LTCH and the patient changes MA status during an inpatient stay for an inpatient institution, the patient's status at admission or start of care determines liability.
- If the hospital inpatient was not an MA enrollee upon admission but enrolls before their discharge, the MA organization is not responsible for payment.
- For hospitals exempt from the PPS (children's hospitals, cancer hospitals, and psychiatric hospitals/units) and Maryland Waiver hospitals, if the MA organization has processing jurisdiction for the MA involved portion of the bill, it will direct the provider to split the bill and send the appropriate portions to the appropriate fiscal intermediary or MA organization. When forwarding a bill to a MA organization, the provider must also submit the necessary supporting documents.
- If the provider is not a PPS provider, the MA organization is responsible for payment for services on and after the day of enrollment up through the day that disenrollment is effective.

### Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3309.pdf> on the CMS website.

The official instruction (CR3309) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R207CP.pdf> on the CMS website.