



Related MLN Matters Article #: MM3885

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Late Submission Penalty Protocol Within the Inpatient Rehabilitation Facility Prospective Payment System

Key Words

MM3885, CR3885, R619CP, IRF, Pricer, Penalty, PPS, Waiver, Payment, Adjustment, IRF-PAI, PAI

Provider Types Affected

Inpatient Rehabilitation Facilities (IRFs) billing Medicare Fiscal Intermediaries (FIs) for services paid under the Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS)

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- MM3885 and related CR3885 implement changes to:
 - The IRF Pricer to provide the FIs the capability to make payment adjustments in instances where a penalty has been assessed for the late transmission of Medicare Part A fee-for-service patient assessment data through the IRF Patient Assessment Instrument (PAI); and
 - The IRF PPS to allow FIs to bypass a late penalty assessment when CMS or the FI acting on behalf of the Centers for Medicare & Medicaid Services (CMS) determines the circumstances that prevented the transmission of the IRF-PAI data to be extraordinary and that the penalty should be waived.

Determination of Penalty

- The August 7, 2001, final rule required that the IRF-PAI data collected on a Medicare Part A fee-for-service inpatient be transmitted to the CMS National Assessment Collection Database by the 17th calendar day from the date of the inpatient's discharge.
- Under the IRF PPS regulations, if the actual transmission date is later than 10 calendar days from this mandated transmission date, the IRF-PAI data is considered late.
- The IRF receives a payment rate that is 25 percent less than the payment rate associated with the case-mix group (CMG).

- Consequently, if the IRF transmits the patient assessment data 28 calendar days or more from the date of discharge, the penalty is applied.

Waiver of Penalty

- CMS has the authority to waive the penalty for the late transmission of patient assessment data under the following circumstances when:
 - CMS or the FI determines that a claim the IRF submitted should not be subject to the payment penalty described above because CMS or the FI has determined that, due to an extraordinary situation, the IRF could not comply with the requirement; or
 - Medicare Part A fee-for-service is not the primary payer.

Medicare Fee-for-Service Claim Coding Requirements

- When Medicare Part A fee-for-service is the primary payer, the revenue code line 0024, Field Locator 45 (or electronic equivalent) service date—when entered by the provider or the CMS adjustment process—will equal the date on which the final assessment was transmitted to the CMS National Assessment Collection Database.
- This field is mandatory on all discharge IRF PPS claims, whether the IRF PAI was transmitted late or not.
- Transmission of the IRF-PAI data record 28 or more calendar days after the discharge date specified on the claim will result in the claim incurring a 25 percent late IRF-PAI data transmission penalty.
- If the provider does not complete this field accurately and the IRF PAI data record is transmitted 28 calendar days or more from the date of discharge, CMS will utilize a post-payment review process to identify claims subject to the late penalty and institute an adjustment process to correct payment.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3885.pdf> on the CMS website.

For complete details, affected providers should see the official instruction issued to their FI regarding this change at <http://www.cms.hhs.gov/Transmittals/downloads/R619CP.pdf> on the CMS website.

Information regarding the CMGs may be found at

<http://www.cms.hhs.gov/transmittals/downloads/A0091.PDF> on the CMS website.