



# Provider Inquiry Assistance

## Reminder to Inpatient Psychiatric Facilities (IPFs) to use Source of Admission Code D for Patient Transfers within the Same Facility – JA1020

**Note:** JA1020 was revised to add a reference to MM7072, which is available at <http://www.cms.gov/MLN MattersArticles/downloads/MM7072.pdf>, to advise IPF providers of the new edits to verify that the Emergency Department Adjustment Policy under the IPF Prospective Payment System is correctly applied.

Related CR Release Date: N/A **Revised**

Date Job Aid Revised: December 14, 2010

Effective Date: N/A

Implementation Date: N/A

**Key Words** SE1020, CR3881, MM3881, IPFs, Source-of-Admission, Transfers

**Contractors Affected**

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

**Provider Types Affected** IPFs submitting claims involving inpatient transfers within the same facility to Medicare FIs or A/B MACs



- Special Edition (SE) article SE1020 emphasizes the importance of using source-of-admission code D to identify beneficiaries who were discharged from the acute-care section of the same hospital.
- When there is a transfer within the same inpatient facility, this code D ensures that the hospital-based IPF does not receive an additional payment for the costs of emergency department services that Medicare covers in its payment to the acute-care hospital.

**Provider Needs to Know...**

- A hospital-based IPF should enter the Centers for Medicare & Medicaid Services (CMS) designated source-of-admission code D on its Medicare claim form to indicate that the beneficiary was admitted from the acute-care section of the same hospital.
- This code is designed to ensure that the hospital-based IPF does not receive an additional payment for the costs of emergency department services that Medicare

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covers in its payment to the acute-care hospital.

- In April of 2006, CMS issued Change Request (CR) 3881 and accompanying MLN Matters® article MM3881 for claims involving transfer within the same facility.

The Office of the Inspector General (OIG) points out that Medicare contractors should try to determine the extent to which FIs, MACs, and the Medicare claims processing systems properly adjudicated claims that should have used source-of-admission code D and recover overpayments.

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#### Background

- In May of 2010, OIG issued the *Nationwide Review of Medicare Part A Emergency Department Adjustments for Inpatient Psychiatric Facilities During Calendar Years 2006 and 2007*. The report notes that many IPFs were not aware that source-of-admission code D existed.
  - Under the Medicare prospective payment system for IPF, CMS makes an additional payment to an IPF for the first day of a beneficiary's stay to account for emergency department costs, if the IPF has a qualifying emergency department.
  - CMS makes this payment to every IPF that has a qualifying emergency department, regardless of whether the beneficiary was admitted through the emergency department.
  - However, CMS does not make this payment if the beneficiary was discharged from the acute-care section of a hospital to its own hospital-based IPF.
  - In that case, the costs of emergency department services are covered by the Medicare payment that the hospital receives for the beneficiary's immediately preceding inpatient stay.
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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/SE1020.pdf> on the CMS website.

MLN Matters® article, "Source Admission Code 'D' ," can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM3881.pdf> on the CMS website.

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