



Related MLN Matters Article #: MM3881

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Source Admission Code "D"

Key Words

MM3881, CR3881, R718CP, Source, Admission, Code "D"

Provider Types Affected

Providers billing Medicare fiscal intermediaries (FIs) for claims involving inpatient transfers within the same facility

Key Points

- The effective date of the instruction is April 1, 2006.
- The implementation date is April 3, 2006.
- The Centers for Medicare & Medicaid Services (CMS) requested and received a new Source of Admission Code "D" from the National Uniform Billing Committee (NUBC) to define transfers from hospital inpatients in the same facility that result in a separate claim to the payers.
- The new Source of Admission Code is a required code for Medicare, and it indicates the source of admission.
- This new Source of Admission Code is to be used wherever it might apply, including transfers involving:
 - Distinct part units in an acute care hospital (ACH);
 - A unit in a critical access hospital (CAH); or
 - A swing bed located in an ACH.
- This new Source Admission Code will have some specific consequences for inpatient psychiatric facilities (IPFs).
 - If an IPF has a dedicated emergency department, then the IPF Prospective Payment System (PPS) has a payment adjustment to the first day of an inpatient psychiatric stay.
 - This is a facility level adjustment, not a patient level adjustment.

- The payment adjustment is not to be applied if the patient is transferred from the acute area to the IPF in the same hospital because the costs for the emergency department are already considered in the diagnosis-related group (DRG) payment to the acute hospital.
- The following describes Source of Admission Codes "4" and "D":
 - Source of Admission Code "4" (Transfer from a Hospital [Different Facility])
 - **Inpatient:** The patient was admitted to this facility as a hospital transfer from a different acute care facility where he/she was an inpatient.
 - **Outpatient:** The patient was referred to this facility for outpatient or referenced diagnostic services by (a physician of) a different acute care facility.
 - Source of Admission Code "D":
 - Transfer from hospital inpatient in the same facility resulting in a separate claim to the payer.
- The following are specific instructions for providers and their intermediaries:
 - Medicare contractors will accept new Source of Admission Code "D" as a valid Source of Admission Code.
 - IPF PPS providers should review all claims submitted with Source of Admission Code "4."
 - IPFs should adjust claims submitted with Source of Admission Code "4" that should be coded with the new Source of Admission Code "D." Payment will remain the same.
 - IPFs should resubmit their claims coded correctly with Source of Admission Code "4" that were paid incorrectly (i.e., not given the emergency room adjustment when facility has an emergency department).

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3881.pdf>

The official instruction issued to the FI, CR3881, may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R718CP.pdf> on the CMS website.