



Related MLN Matters Article #: MM4264

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Payment of Same Day Transfer Claims Under the Inpatient Psychiatric Facility Prospective Payment System (IPF PPS)

Key Words

MM4264, CR4264, R832CP, Psychiatric, IPP, PPS, Transfers, V46.13, V46.14, TEFRA, Comorbidity, V46.11, V46.12, IPFs, Discharges

Provider Types Affected

Inpatient Psychiatric Facilities (IPFs) billing Medicare Fiscal Intermediaries (FIs) for services paid under the IPF PPS.

Key Points

- The effective date of the instruction is January 1, 2005.
- The implementation date is July 3, 2006.
- MM4264 is based on Change Request (CR) 4264, which includes general policy and billing information to address questions on the IPF PPS.
- The Centers for Medicare & Medicaid Services (CMS) released CR4264 to clarify issues related to processing claims and address questions on the IPF PPS, and CR4264 includes the following sections:
 - Same Day Transfers;
 - Tax Equity and Fiscal Responsibility Act (TEFRA) Limit for IPFs Located in Critical Access Hospitals (CAHs) for Fiscal Years (FYs) 1999 through 2002; and
 - Chronic Obstructive Pulmonary Disease (COPD) Comorbidity Category.
- A same day transfer occurs when a patient is admitted to an IPF and is subsequently transferred for acute care (or another type facility care) on the same day.
- If the patient is admitted to an IPF with the expectation that the patient will remain overnight, but is discharged before midnight, the day is counted as a total day, that is, a cost report day but not a Medicare covered day.

- Currently, same-day transfer claims are suspending in the Medicare claims processing system because the IPF PPS Pricer is not programmed to accommodate zero covered days, and there is no transfer policy under IPF PPS.
- This day will be considered covered and counted for cost reporting purposes, but will not be counted as a Medicare utilization day for the beneficiary.
- Same Day Transfer IPF PPS claims suspended in FI systems since January 1, 2005, are to be released and will be paid a one day per diem stay according to the payment rules governing IPF PPS, and interest is to be applied.
- The IPF PPS final rule stated that if the provider ever had a TEFRA limit, the provider would not be a new provider under the IPF PPS, and CMS would use their TEFRA limit updated to current times.
- This included those providers that previously closed their psychiatric units and then re-opened.
- The IPF Pricer has not yet been updated with the expanded list of ICD-9-CM diagnosis codes (V46.13 and V46.14) that are related to V46.11 and V46.12.
- These new codes were effective for discharges on or after October 1, 2005. The IPF Pricer will be updated with the new codes on April 1, 2006. The new codes are:
 - V46.13 (Encounter for Weaning from Respirator [Ventilator]); and
 - V46.14 (Mechanical Complication of Respirator [Ventilator]).
- The IPF PPS allows for a comorbidity adjustment for certain comorbid conditions, and there are 17 comorbidity groupings as shown in the table at the end of the MLN Matters article MM4264.
- IPFs may be paid multiple comorbidity adjustments, but only one adjustment is allowed per category.
- The comorbidity category Chronic Obstructive Pulmonary disease has an adjustment factor of 1.12.
- IPFs are instructed by CR4264 to resubmit claims with discharges between October 1, 2005, and March 31, 2006, billed with one of the new codes (V46.13 or V46.14), so that the Chronic Obstructive Pulmonary Disease comorbidity adjustment factor of 1.12 can be applied.
- The claims should be resubmitted on or after April 1, 2006, so they will be processed with the revised Pricer.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4264.pdf>

<http://www.cms.hhs.gov/Transmittals/downloads/R868CP.pdf>

42CRF413.40(c) (rate-of-increase for excluded hospital and units) is available at <http://www.gpoaccess.gov/cfr/retrieve.html>.