



Related MLN Matters Article #: MM4397

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Related CR #: 4397

Correction to Change Request 4282 - Application of Temporary Five Percent Payment Increase for Home Health Services Furnished in a Rural Area for One Year Under the Home Health Prospective Payment System (HH PPS)

Key Words

MM4397, CR4397, R887CP, CR4282, Payment, Home, Health, Rural, Prospective, HH PPS

Provider Types Affected

Providers billing Medicare Regional Home Health Intermediaries (RHHIs) for services provided in rural areas

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is March 13, 2006.
- Change Request (CR) 4397 adds a list of special wage index codes to the codes that identify HH PPS claims as rural.
- As directed by the Deficit Reduction Act (DRA, Section 5201), rural HH PPS claims receive a five percent (5%) add-on payment.
- The business requirements of CR4282 required Medicare systems to identify rural areas based on Core Based Statistical Area (CBSA) codes that begin with "999" and include a rural state code.
- This criterion identifies rural areas for many states, but it overlooks the fact that certain rural areas were affected by the implementation of a blended wage index in calendar year 2006.
- In 2006, certain rural areas, which would otherwise report a CBSA beginning with "999," are reporting special wage index codes beginning with "50."
- Therefore, for purposes of implementing the DRA rural add-on payment, Medicare will recognize that "rural" includes all services furnished in any area that would be identified by a rural CBSA code if the 2006 blended wage index were not in effect.
- The list of special wage index codes that are recognized as rural (for purposes of implementing the DRA add-on) can be found in the *Additional Information* section of MLN Matters article MM4397 at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4397.pdf> as well as an attachment to CR4397 at <http://www.cms.hhs.gov/transmittals/downloads/R887CP.pdf> on the CMS website.

- RHHIs will stop processing adjustments required by business requirement 4282.6 in CR4282 for providers billing the list of special wage index codes attached to CR4397 as soon as possible but no later than five business days of receipt of CR4397.
- After the new HH PPS Pricer is installed in their systems, the RHHI will:
 - Resume processing of adjustments required by business requirement 4282.6 for providers billing the attached list of special wage index codes. (That requirement calls for RHHIs to adjust claims with "Through" dates on or after January 1, 2006, that were not processed with the Pricer containing the five-percent rural add-on.)
 - Adjust any claims or adjustments for providers billing the list of special wage index codes that were processed in the period between the implementation of the Pricer required by CR4282 and the new Pricer required by CR4397.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4397.pdf>

For complete details, please see the official instruction issued to the RHHI regarding this change. That instruction may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R887CP.pdf> on the CMS website.

The DRA, Section 5201, page 45 may be viewed at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_reports&docid=f:hr362.109.pdf on the Internet.

If affected providers have any questions, they may refer to their RHHI at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.