



Related MLN Matters Article #: MM5877 **Revised**

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Related CR #: 5877

Correction to Low Utilization Payment Adjustment (LUPA) Add-on Payments under the Refined Home Health Prospective Payment System (HH PPS)

Key Words

MM5877, CR5877, R1476CP, LUPA, Utilization, HH, PPS, Prospective, Add-on

Provider Types Affected

All HH Agencies (HHAs) billing Medicare Regional Home Health Intermediaries (RHHIs) for services provided to Medicare beneficiaries

Note: MLN Matters article MM5877 was revised to show that Change Request (CR) 5877 was reissued on March 7, 2008. The transmittal number and the Web address for accessing CR5877 were changed.

Key Points

- The effective date of the instruction is January 1, 2008.
- The implementation date is July 7, 2008.
- The August 29, 2007, Final Rule describing refinements to the HH PPS created an additional payment that is made when HH PPS episodes subject to LUPAs are the first episode in a sequence of adjacent episodes or are the only episode of care received by a beneficiary.
- This payment is often referred to as the "LUPA add-on."
- The initial implementing instructions for HH PPS refinements were published in Transmittal 1348, CR5746 located at <http://www.cms.hhs.gov/Transmittals/downloads/R1348CP.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.
- These instructions described the criteria Medicare systems would use to identify claims that would qualify for the LUPA add-on payment. These criteria were:
 - That the claim has four or fewer visits;
 - That the Health Insurance PPS code on the claim begins with a 1 or 2, indicating the claim is for an early episode in a sequence of adjacent episodes;
 - That the claim admission date and statement covers "From" date match, indicating the claim is the first episode provided at a given provider; AND

- That the source of admission code on the claim is not "B", indicating the claim is not a transfer from another HHA, or "C", indicating the claim is a discharge and readmission to the same HHA within the same 60-day period.
- While the above criteria identify LUPA add-on claims based on the face of the claim itself, they can result in payments of LUPA add-ons where that payment is not appropriate.
- Consequently, in addition to the data on the claim itself, Medicare will review its claim history to ensure that the claim is the first or only episode in a sequence. If claims history shows that the claim is not the first or only episode in a sequence, **the LUPA add-on will not be paid.**
- For example, if a patient is admitted to a first episode at one HHA, then discharged and readmitted to the same or another HHA within the 60-day period between episodes that defines a sequence of adjacent episodes, the criteria described above would be met but the claim would be the second in the sequence. In this case, the **LUPA add-on would not apply.**

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5877.pdf> on the CMS website.

The official instruction (CR5877) regarding this change may be viewed at

<http://www.cms.hhs.gov/transmittals/downloads/R1476CP.pdf> on the CMS website.

The MLN Matters article related to CR5746 may be accessed through at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5746.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their Medicare RHHI at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.