



Provider Inquiry Assistance

Hospitals Exempt from Present on Admission (POA) Reporting (i.e. non-Inpatient Prospective Payment System (IPPS) Hospitals) and the Grouper – JA6086

Related CR Release Date : June 13, 2008

Date Job Aid Revised: July 8, 2008

Effective Date: October 1, 2008

Implementation Date: October 6, 2008

Key Words MM6086, CR6086, R354OTN, Hospitals, POA, IPPS, Grouper

Contractors Affected

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

Provider Types Affected IPPS exempt hospitals submitting claims to FIs, and/or A/B MACs for services provided to Medicare beneficiaries



Change Request (CR) 6086 provides updated information to hospitals that are exempt from POA reporting, but still report the POA.

Provider Needs to Know...

- Although POA reporting is not required for IPPS exempt hospitals, their claims still process through Grouper.
- However, due to other payer requirements or business needs, some exempt hospitals report the POA.
- When exempt hospitals report the POA, they must include an "X" to indicate the end of POA reporting in the K3 segment of the claim.
- The 'X' indicator will prevent Grouper from applying Hospital Acquired Condition (HAC) logic to the claim.

Background

- The Deficit Reduction Act (DRA) of 2005 (Section 5001(c); see <http://www.cms.hhs.gov/LegislativeUpdate/downloads/DRA0307.pdf> on the Centers for Medicare & Medicaid Services (CMS) website) requires CMS to identify (by October 1, 2007) at least two conditions that:
 - Are high cost or high volume or both;
 - Result in the assignment of a case to a Diagnostic Related Group that has a higher payment when present as a secondary diagnosis; and
 - Could reasonably have been prevented through the application of evidence-based guidelines.
 - For discharges occurring on or after October 1, 2008, hospitals will not receive additional payment for cases in which one of the selected conditions was not present on admission. That is, the case would be paid as though the secondary diagnosis were not present.
 - The DRA (Section 5001(c)):
 - Provides that CMS can revise the list of conditions from time to time, as long as it contains at least two conditions; and
 - Requires hospitals to report POA information for both primary and secondary diagnoses when submitting claims for discharges on or after October 1, 2007.
 - CR5679 (Transmittal R2890TN, dated July 20, 2007) provided information on the requirements for completing a POA Indicator for every diagnosis on an inpatient acute care hospital claim beginning with discharges on or after October 1, 2007, and provides Medicare contractor with the coding and editing requirements, and software modifications needed to successfully implement this indicator. CR5679 can be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R2890TN.pdf> on the CMS website.
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**Operational
Impact**

- Effective October 1, 2008, the Fiscal Intermediary Shared System (FISS) will append the 'X' indicating the end of the series for POA on exempt from reporting (non-IPPS) facilities in the interface to Grouper, so that Grouper does not apply HAC logic to these claims.
 - FISS will also replace a reported 'Z' with an 'X' for indicating the end of the series for POA on exempt from reporting (non-IPPS) facilities in the interface to Grouper, so that Grouper does not apply HAC logic to these claims. However, exempt providers should begin to report an 'X' to indicate the end of POA reporting as soon as possible.
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**Reference
Materials**

- The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6086.pdf> on the CMS website.
- The official instruction (CR6086) issued regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R3540TN.pdf> on the CMS website.
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