Inpatient Rehabilitation Facility (IRF) Annual Update: Prospective Payment System (PPS) Pricer Changes for Fiscal Year (FY) 2010 - JA6607

Note: MLN Matters® article MM6607 was revised to make a correction to state that the rates are for FY2010 claims, instead of 2009. All other information remains the same.

Related CR Release Date: August 28, 2009 Revised

Date Job Aid Revised: September 10, 2009

Effective Date: October 1, 2009

Implementation Date: October 5, 2009

Key Words	MM6607, CR6607, R1808CP, Rehabilitation, PPS, Prospective, Pricer
Contractors Affected	• Fiscal Intermediaries (FIs) • Part A/B Medicare Administrative Contractors (A/B MACs)
Provider Types Affected	IRFs submitting claims to Medicare FIs and/or A/B MACs for services provided to Medicare beneficiaries

Change Request (CR) 6607 provides updated rates used to correctly pay IRF PPS claims for FY 2010.

Provider Needs to Know…

- The Pricer updates for the FY 2010 (October 1, 2009 – September 30, 2010) IRF PPS are as follows:
  - The standard federal rate is $13,661;
  - The fixed loss amount is $10,652;
  - The labor-related share is 75.779 percent;
  - The non-labor related share is 24.221 percent;
  - Urban national average Cost-to-Charge Ratio (CCR) is 0.494;
  - Rural national average CCR is 0.622;
  - The Low Income Patient Adjustment is 0.4613;
  - The Teaching Adjustment is 0.6876; and

- The Rural Adjustment is 1.1840.

Background	• The FY 2010 IRF PPS Final Rule, published on August 7, 2009, sets forth the prospective payment rates applicable for IRFs for FY 2010. • A new IRF PRICER software package will be released prior to October 1, 2009, that will contain the updated rates that are effective for claims with discharge dates that fall within October 1, 2009, through September 30, 2010, inclusive.
Operational Impact	N/A
Reference Materials	The related MLN Matters® article can be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6607.pdf* on the CMS website. The official instruction (CR6607) issued regarding this change may be found at *http://www.cms.hhs.gov/Transmittals/downloads/R1808CP.pdf* on the CMS website. The *Medicare Claims Processing Manual*, Chapter 3 (Inpatient Hospital Billing), Section 140 (Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS)) is available for review at *http://www.cms.hhs.gov/manuals/downloads/clm104c03.pdf* on the CMS website