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Note: This article was updated on February 4, 2013, to reflect current Web addresses. All other information remains unchanged.

Demonstration Project for Medical Adult Day-Care Services

Provider Types Affected

Home Health Agencies participating in the Medicare Demonstration Project for Medical Adult Day-Care Services

Provider Action Needed



STOP – Impact to You

This CR describes the changes necessary to implement the Demonstration Project for Medical Adult Day-Care Services. If you participate in this demonstration project, you should be aware of these changes, because they will affect your reimbursement.



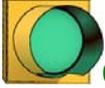
CAUTION – What You Need to Know

Section 703 of the MMA requires that the Centers for Medicare & Medicaid Services (CMS) conduct a Demonstration Project for Medical Adult Day-Care Services. This article and related CR 3660 provides information you must know about this demonstration including (1) the logic to allow for the identification of demonstration patients from the text "HHDAYC" in the claim remarks field, and (2) the claims processing methodology.

Note: HHA payments in this demonstration project will be 95% of the regular PPS rate.

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GO – What You Need to Do

Make sure that your office and billing staffs are aware of your participation in this demonstration project, and the methodologies and rules of beneficiary participation and of claims processing.

Background

Section 703 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires that the Centers for Medicare & Medicaid Services (CMS) conduct a Medicare Demonstration Project for Adult Day-Care. The purpose of this three-year demonstration project is to evaluate the effects of substituting adult day-care services for a portion of the home health services that Medicare beneficiaries would otherwise be eligible to receive in their homes.

The demonstration will be limited to five Home Health Agency (HHA) sites that CMS will select from proposals submitted in response to a formal solicitation. At project implementation, Medicare beneficiaries receiving home health services from the participating HHAs will be able to enroll voluntarily in the demonstration. To reiterate, participation is voluntary, and refusal to participate will not affect a beneficiary's home care services or other Medicare benefits.

Be aware that the business requirements specified in this CR 3660 apply only to the Medicare home health benefit and only affect those Regional Home Health Intermediaries (RHHI) serving the specific sites in States covered under the demonstration. Payment for each home health service episode of care, in the demonstration, will be set at 95 percent of the amount that would otherwise be paid for home health services provided entirely in the home, and will be provided directly to the HHA for all services delivered during the home health episode of care whether rendered at home or in the adult day care facility. Participating home health agencies and medical adult day-care facilities must keep in mind that they may not separately charge a beneficiary for medical adult day-care services furnished under the home health plan of care.

Also be aware that the implementation of this demonstration will require changes in payments or payment processing under the home health prospective payment system. The following discussion explains the demonstration design as it relates to the identification of demonstration patients, and to the processing of claims and associated information about the home health episode of care.

Identification of Demonstration Patients

After a Medicare beneficiary is referred for home care, the participating HHA, in consultation with the referring physician, conducts an initial patient assessment to determine whether the patient is eligible to receive home health services under the Medicare fee-for-service program. At this assessment, the HHA will tell the beneficiary about the demonstration, will advise them that participation is voluntary and that refusal to participate will not affect their home care services or other Medicare benefits, and will ask if they wish to participate. Further, since treatment outside the home may be contraindicated in some home health patients, the HHA and/or beneficiary should also seek the advice of the referring physician. In addition, the participating HHA may offer participation in the demonstration to its current patients as they are re-assessed as part of ongoing certification for Medicare home health services.

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The demonstration will apply to Medicare Part A and/or Part B beneficiaries participating in the Medicare fee-for-service program. CMS stipulates that this demonstration will not include Medicare beneficiaries who are enrolled in Medicare Advantage Plans or a Medicare managed care demonstration (e.g., Preferred Provider Organizations).

As mentioned above, the demonstration is limited to 15,000 beneficiaries. The following methodology will be used to ensure that demonstration sites cannot exceed the demonstration enrollment limit of 15,000 Medicare beneficiaries at any one time:

- All Medicare beneficiaries actively enrolled in the demonstration will be accounted for through the claims identification process, and a special support contractor, retained by CMS, will maintain a listing of enrollees.
- New enrollees will be added to the listing along with their admission date and other pertinent identifiable information and a notation will be made when the enrollee is discharged from home health care at the participating site or otherwise ceased to be a demonstration participant.
- When the number of enrollees reaches 14,500, all demonstration sites will be informed that they must first check with the special support contractor before enrolling a new patient under the demonstration. Such requests will be denied after the 15,000-enrollee number has been reached and continue to be denied unless an existing enrollee is discharged.

Claims Processing

CMS will give the provider numbers of the five selected HHA demonstration sites to the RHHIs who service those HHAs, and the processing of claims for the demonstration will be limited to these sites/provider numbers. For each identified demonstration patient, the HHA will submit to the RHHI a request for anticipated payment (RAP) entering a special code (the string "HHDAYC") in the remarks section (FL84) of the claim identifying the patient as part of the demonstration. The HHA will also place the same code on the end of episode claim and any other claims that are submitted for a demonstration episode (e.g., cancellations or adjustments).

The HHA will process claims in accordance with standard Medicare claims processing rules. The RHHI will receive and process the claims for payment in accordance with standard Medicare rules except that final payment to the HHA for that Medicare beneficiary for each episode of care will be adjusted to 95% of the amount that would otherwise be paid out under the Home Health Prospective Payment System.

Note: The payment reduction only applies to the HHA PPS payment amount. Any fee schedule items (e.g., Durable Medical Equipment, Prosthetics & Orthotics, oxygen) provided during the episode are not affected in terms of payment.

The RHHI will receive and process the RAP and subsequent (e.g., end-of-episode) claims for payment in accordance with standard Medicare rules. The claim is processed through the Fiscal Intermediary Standard System (FISS), which outputs the claim to the Common Working File (CWF) adding a Special Processing Number 48 for all demonstration claims (those with the string "HHDAYC" anywhere in FL84).

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All HHAs serving patients in the same areas as the demonstration HHAs should be aware that the demonstration is taking place, and that CMS as well as the support contractor may undertake outreach and education activities to inform beneficiaries about the demonstration.

Lastly, demonstration HHAs should be aware of a couple of other items:

- Using information from claims, the special support contractor will send demonstration participants information about the demonstration and also provide a toll-free number and web site address for further information or questions.
- And, the support contractor (or the evaluation contractor) may contact participating HHAs to request a copy of the plan of care, medical records, or other information for each patient.

Additional Information

You can find more information about the Demonstration Project for Medical Adult Day-Care Services at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R17DEMO.pdf> on the CMS website.

If you have any questions, please contact your FI at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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