

MLN Matters Number: MM3962

Related Change Request (CR) #: 3962

Related CR Release Date: July 29, 2005

Effective Date: January 1, 2006

Related CR Transmittal #: 630

Implementation Date: January 3, 2006

Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update and Health Insurance Prospective Payment System (HIPPS) Coding Update Effective January 1, 2006

Note: This article was updated on February 11, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Skilled nursing facilities (SNFs) billing services to Medicare fiscal intermediaries (FIs)

Provider Action Needed



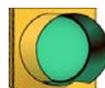
STOP – Impact to You

This article is based on Change Request (CR) 3962, which provides Skilled Nursing Facility/Swingbed (SNF/SB) payment rate updates and Health Insurance Prospective Payment System (HIPPS) coding changes as a result of the refined case-mix system effective January 1, 2006.



CAUTION – What You Need to Know

The new HIPPS codes that will be added to the Medicare's claims processing system result from the addition of 9 new Resource Utilization Group – III (RUG-III) categories implemented by the 2006 final rule for SNF and SB Prospective Payment System (PPS). CR3962 is effective for claims with dates of service on or after January 1, 2006.



GO – What You Need to Do

See the *Background* section of this article for further details regarding these changes.

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Background

Annual updates to the Prospective Payment System (PPS) rates relating to Medicare payments and consolidated billing for Skilled Nursing Facilities (SNFs) are required by the Social Security Act (Section 1888(e)), as amended by:

- The Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA), and
- The Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA).

In addition, CMS is refining the case-mix system effective January 1, 2006.

The SNF PPS Final Rule for FY 2006 implemented nine new RUG-III categories that will be added effective for dates of service on or after January 1, 2006. Because of the addition of these nine new RUG-III groups, CR3962 includes nine new Health Insurance Prospective Payment System (HIPPS) codes that are listed in the following table:

HIPPS Code	Description
RUXxx	Rehabilitation, Ultra High , plus Extensive Services, High, ADL Index 16-18
RULxx	Rehabilitation, Ultra High , plus Extensive Services, Low, ADL Index 7-15
RVXxx	Rehabilitation, Very High , plus Extensive Services, High, ADL Index 16-18
RVLxx	Rehabilitation, Very High , plus Extensive Services, Low, ADL Index 7-15
RHXxx	Rehabilitation, High , plus Extensive Services, High, ADL Index 13-18
RHXxx	Rehabilitation, High , plus Extensive Services, High, ADL Index 13-18
RHLxx	Rehabilitation, High , plus Extensive Services, Low, ADL Index 7-12
RMXxx	Rehabilitation, Medium , plus Extensive Services, High, ADL Index 15-18
RMLxx	Rehabilitation, Medium , plus Extensive Services, Low, ADL Index 7-14
RLXxx	Rehabilitation, Low , plus Extensive Services, ADL Index 7-18

These changes will be reflected in an updated SNF PPS Pricer, and the complete list of new HIPPS Codes is included as an Attachment to CR3962.

Note: The HIPPS code has five digits that include the following two components:

- A three-digit classification code assigned to each RUG-III code, and
- A two-digit assessment indicator that specifies the type of Medicare-required assessment used to support billing.

CR3962 also includes the following instructions:

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- The case-mix system will be refined effective January 1, 2006; wage indices effective 10/1/05 will continue to apply;
- Medicare systems shall:
 - Apply the FY 2006 SNF PPS payment rates that are effective for dates of service on or after January 1, 2006 through September 30, 2006;
 - Discontinue temporary add-on payments, except for the add-on payment for residents with AIDS, with the implementation of the 53-Group RUG-III coding system;
 - Edit therapy HIPPS codes RHLxx, RHXxx, RLXxx, RMLxx, RMXxx, RVLxx and RVXxx, billed under the 0022 revenue code with units greater than 10 on bill types 18x or 21x, to ensure that at least one therapy ancillary revenue code, either 042x, 043x, or 044x, is reported on the claim.
 - Edit therapy HIPPS codes RULxx and RUXxx billed under the 0022 revenue code with units greater than 10 on bill types 18x or 21x, to ensure at least two different therapy ancillary revenue codes, either 042x and/or, 043x and/or, 044x, are reported on the claim.

Additional Information

For complete details, please see the official instruction issued to your intermediary regarding this change. That instruction may be viewed by going to <http://cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R630CP.pdf> on the CMS website.

If you have any questions, please contact your intermediary 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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