

MLN Matters®

Information for Medicare Fee-For-Service Health Care Professionals



News Flash - News Flash – New Medicare Learning Network (MLN) Catalog

Available! The August 2007 edition of the MLN Products Catalog is now available - the MLN Products Catalog is an interactive downloadable document that lists all Medicare Learning Network products by media format. The catalog has been revised to provide new customer-friendly links that are embedded within the document. All product titles and the word "download" when selected, will link you to the online version of the product. The word "hard copy" when selected, will automatically link you to the MLN Product Ordering page. To access the catalog, visit <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/index.html> on the CMS website.

MLN Matters Number: MM5694

Related Change Request (CR) #: 5694

Related CR Release Date: August 24, 2007

Effective Date: October 1, 2007

Related CR Transmittal #: R1323CP

Implementation Date: October 1, 2007

Note: This article was updated on September 12, 2012, to reflect current Web addresses. All other information remains the same.

Inpatient Rehabilitation Facility (IRF) Annual Update: Prospective Payment System (PPS) Pricer Changes for FY 2008

Provider Types Affected

Providers submitting claims to Medicare fiscal intermediaries (FIs) and Part A/B Medicare Administrative Contractors (A/B MACs) for IRF PPS services provided to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

This article is based on Change Request (CR) 5694, which provides details about the annual IRF PPS rate updates for Fiscal Year (FY) 2008.

Disclaimer

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**CAUTION – What You Need to Know**

Updated rates are effective for claims with discharges that fall on or after October 1, 2007, and on or before September 30, 2008

**GO – What You Need to Do**

See the *Background* section of this article for further details regarding this IRF annual update.

Background

On August 7, 2001, the Centers for Medicare & Medicaid Services (CMS) published a Final Rule in the Federal Register (http://www.access.gpo.gov/su_docs/fedreg/a010807c.html) that established the Prospective Payment System (PPS) for Inpatient Rehabilitation Facilities (IRFs) as authorized under the Social Security Act (Section 1886(j)). In that final rule, CMS set forth per discharge Federal rates for Federal fiscal year (FY) 2002. These IRF PPS payment rates became effective for cost reporting periods beginning on or after January 1, 2002, and annual updates to the IRF PPS rates are required by the Social Security Act (Section 1886(j)(3)(C)).

On August 7, 2007, CMS published the FY 2008 IRF PPS Final Rule in the Federal Register (<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/downloads/cms1551f.pdf>) which provides the prospective payment rates applicable for IRFs for FY 2008.

A new IRF PRICER software package will be released prior to October 1, 2007 that will contain the updated rates that are effective for claims with discharges that fall on or after October 1, 2007 through September 30, 2008. Your FI or Part A/B MAC will install the new revised Pricer program in a timely fashion to ensure you receive accurate payments for IRF PPS claims with discharges occurring on or after October 1, 2007 through September 30, 2008.

The IRF PPS FY 2008 rates applicable to discharges on or after October 1, 2007 through September 30, 2008 are as shown in the following table:

Standard Federal rate	\$13,451
Fixed loss amount	\$7,362
Labor-related share	75.818%
Non-labor related share	24.182%
Urban national average cost-to-charge ration (CCR)	0.476
Rural national average CCR	0.596

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Additional Information

The official instruction, CR5694, issued to your Medicare FI or A/B MAC regarding this change can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1323CP.pdf> on the CMS website.

If you have questions, please contact your Medicare FI or A/B MAC 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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