

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM7674

Related Change Request (CR) #: CR 7674

Related CR Release Date: January 25, 2012

Effective Date: October 1, 2011

Related CR Transmittal #: R2393CP

Implementation Date: July 2, 2012

Inpatient Rehabilitation Facility (IRF) No-Pay Billing for Medicare Advantage (MA) Patients Update

Provider Types Affected

This article is for IRFs that bill Medicare Fiscal Intermediaries (FIs) or Medicare Administrative Contractors (A/B MACs) for inpatient rehabilitation facility services provided to Medicare Advantage (MA) patients.

Provider Action Needed



STOP – Impact to You

Change Request (CR) 7674, from which this article is taken, provides hospitals with updated instructions on the submission of Inpatient Rehabilitation Facility (IRF) “no-pay” bills to Medicare for Medicare Advantage (MA) patients.

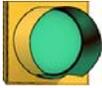


CAUTION – What You Need to Know

For bills for IRF services provided to MA patients, effective July 1, 2012, you must submit informational only bills (TOB 111) with both Condition Code 04 and the Case Mix Group (CMG) from the IRF Patient Assessment Instrument (PAI). You may no longer use the default code of A9999.

Disclaimer

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GO – What You Need to Do

You should ensure that your billing staffs are aware of these updated instructions.

Background

On July 20, 2007, CMS issued CR5647 to require hospitals (effective October 1, 2006) to submit "no pay" bills to their Medicare contractor for the (MA patients they treat, in order for the days to be eventually captured in the Disproportionate Share Hospital (DSH) (or Low Income Patient (LIP) for IRF) calculations. (You can find the associated Medicare Learning Network® (MLN) Matters article associated with CR5647: [Capturing Days on Which Medicare Beneficiaries are Entitled to Medicare Advantage \(MA\) in the Medicare/Supplemental Security Income \(SSI\) Fraction at <http://www.cms.gov/MLNMattersArticles/downloads/MM5647.pdf>](#) on the Centers for Medicare & Medicaid Services (CMS) website.)

On March 14, 2008, CMS issued CR5965 which instructed IRF hospitals to submit a default Case Mix Group (CMG) code of A9999 for IRF "no-pay" claims (Type of Bill 111 with a condition code 04) for MA patients with discharges on or after October 1, 2006. At that time there was no requirement for IRF's to submit IRF Patient Assessment Instruments (IRF PAI's) for MA patients. (You can find the associated MLNMatters article associated with this CR: [April 2008 Inpatient Rehabilitation Facility \(IRF\) Prospective Payment System \(PPS\) Pricer Changes at <http://www.cms.gov/MLNMattersArticles/downloads/MM5965.pdf>](#) on the CMS website.)

CR7674, from which this article is taken, instructs IRF hospitals (effective July 1, 2012) to submit a the Case Mix Group (CMG) code from the IRF PAI for IRF "no-pay" claims (Type of Bill 111 with a condition code 04) for MA patients with discharges on or after October 1, 2011. Do not use the default CMG of A9999, effective July 1, 2012, as it will not be a valid code for claims received on or after that date.

Additional Information

You can find more information about Inpatient Rehabilitation Facility (IRF) no-pay billing for Medicare Advantage (MA) Patients by going to CR7674, located at <http://www.cms.gov/Transmittals/downloads/R2393CP.pdf> on the CMS website.

You will find the updated "Medicare Claims Processing Manual," Chapter 3 (Inpatient Hospital Billing), Sections 20.3 (Additional Payment Amounts for Hospitals with Disproportionate Share of Low-Income Patients) and 3.140.2.4.3 (Low-Income Patient (LIP) Adjustment: The Supplemental Security Income (SSI)/Medicare Beneficiary Data for Inpatient Rehabilitation Facilities (IRFs) Paid Under the Prospective Payment System (PPS)) as an attachment to CR7674.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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