

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



News Flash –

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- [“Medicare Claim Review Programs: MR, NCCI Edits, MUEs, CERT, and RAC,”](#) Booklet, ICN 006973, Downloadable

MLN Matters® Number: MM8067

Related Change Request (CR) #: CR 8067

Related CR Release Date: November 1, 2012

Effective Date: April 1, 2013

Related CR Transmittal #: R2576CP

Implementation Date: April 1, 2013

Affordable Care Act Section 3025 Expansion of a Field in the Inpatient Provider Specific File (PSF)

Provider Types Affected

This MLN Matters® Article is intended for inpatient hospital providers submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and A/B Medicare Administrative Contractors (A/B MACs) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8067 which informs Medicare contractors about the expansion of a numeric field in the inpatient Provider Specific File (PSF) for the Readmission Adjustment Factor. Make sure that your reimbursement staff is aware of these changes. See the Background and Additional Information Sections of this article for further details regarding these changes.

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Background

Section 3025 of the Affordable Care Act establishes the Readmission Reduction Program and adds paragraph (q) to Section 1886 of the Social Security Act, which requires the Secretary of Health and Human Services to apply an adjustment in determining the operating Inpatient Prospective Payment System (IPPS) payment to “subsection (d)” hospitals (and may be applied to Maryland hospitals under Section 1814(b)(3)) that have excess readmissions based on the applicable readmission measures selected by the Secretary. This payment provision is effective for inpatient hospital discharges occurring on or after October 1, 2012.

Under Section 3025, certain hospitals will receive a readmission adjustment factor that is the higher of a ratio described in Section 3025 of the Affordable Care Act or a floor specified in Section 1886(q)(3) of the Act. The Centers for Medicare & Medicaid Services (CMS) and their contractors are expanding a numeric field in the inpatient PSF for the “Readmission Adjustment Factor.”

Additional Information

The official instruction, CR8067 issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2576CP.pdf> on the CMS website.

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/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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