

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



News Flash –

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- [“DMEPOS Competitive Bidding Program Hospitals That Are Not Contract Suppliers,”](#) Fact Sheet, ICN 905463, Downloadable only.

MLN Matters® Number: MM8278

Related Change Request (CR) #: CR 8278

Related CR Release Date: May 3, 2013

Effective Date: January 1, 2013

Related CR Transmittal #: R1216OTN

Implementation Date: October 7, 2013

Applying Multiple Procedure Payment Reductions to Therapy Cap Amounts for Critical Access Hospital (CAH) Claims

Provider Types Affected

This MLN Matters® Article is intended for providers and suppliers who submit claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8278 which revises the amount applied toward a beneficiary's therapy cap amounts when therapy services are provided in a Critical Access Hospital (CAH). The requirements of CR8278 ensure that the multiple procedure payment reduction is applied to these amounts. Make sure billing staff are aware of this change.

Background

The American Taxpayer Relief Act of 2012 (ATRA; Section 603; see <http://www.gpo.gov/fdsys/pkg/BILLS-112hr8enr/pdf/BILLS-112hr8enr.pdf>) contained a number of

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Original Medicare provisions affecting the outpatient therapy caps and manual medical review threshold. These provisions became effective on January 1, 2013. One of the provisions required that outpatient therapy services provided in CAH settings should be included in the beneficiary's therapy cap and threshold total, using the amount that would be payable if the services were paid under the Medicare Physician Fee Schedule. This change was implemented via CR 7881. You can review the MLN Matters® article corresponding to CR7881 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7881.pdf> on the CMS website

Payments for outpatient hospital therapy services include a multiple procedure payment reduction when more than one unit or procedure is provided to the same patient on the same day by the same provider. Inadvertently, Medicare's initial implementation of this provision updated the therapy cap and threshold total by the full fee schedule amount, without applying the multiple procedure payment reduction. The requirements of CR8278 correct how CAH claims update the therapy cap and threshold total.

If the results of CR8278 are that previously denied therapy claims become payable, you may request that your FI or A/B MAC adjust such claims.

Additional Information

The official instruction, CR8278, issued to your FIs and A/B MACs regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1216OTN.pdf> on the CMS website.

If you have any questions, please contact your FIs or A/B MACs 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.

A copy of the "Therapy Cap Fact Sheet" can be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medical-Review/Downloads/Therapy-Cap-Fact-Sheet_1-17.pdf on the CMS website.

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