

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



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- ["Medical Privacy of Protected Health Information"](#) Fact Sheet, ICN 006942, downloadable

MLN Matters® Number: MM8546 **Revised**

Related Change Request (CR) #: CR 8546

Related CR Release Date: April 17, 2014

Effective Date: July 1, 2014

Related CR Transmittal #: R2933CP

Implementation Date: July 7, 2014

Addition of New Fields and Expansion of Existing Model 1 Discount Percentage Field in the Inpatient Hospital Provider Specific File (PSF) and Renaming Payment Fields in the Inpatient Prospective Payment System (IPPS) Pricer Output

Note: This article was revised on April 24, 2014, to reflect the revised CR8546 issued on April 17, 2014. In the article, the CR release date, transmittal number, and the Web address for accessing CR8546 are revised. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for providers and suppliers submitting institutional claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8546 which informs MACs about changes to the PSF. The PSF is maintained by MACs to facilitate proper payments to providers.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2012 American Medical Association.

Note: CR8546 is not implementing the Hospital Acquired Condition (HAC) Reduction Program initiative or the Electronic Health Records (EHR) Incentive Program, but is only preparing the Centers for Medicare & Medicaid Services (CMS) systems for the future. Specific instructions implementing these programs, including manual updates to Addendum A of the "Medicare Claims Processing Manual," will be issued in the future in the event these policies are finalized.

Make sure that your billing staffs are aware of these changes.

Background

Section 3008 of the Affordable Care Act establishes a program, beginning in FY 2015, for IPPS hospitals to improve patient safety, by imposing financial penalties on hospitals that perform poorly with regard to certain HACs. HACs are conditions that patients did not have when they were admitted to the hospital, but which developed during the hospital stay. Under the HAC Reduction Program, hospitals that rank in the lowest-performing quartile of selected HAC measures will be subject to a reduction of what they would otherwise be paid under the IPPS.

Section 3133 of the Affordable Care Act provides for an additional payment for a hospital's uncompensated care. Each Medicare Disproportionate-Share (DSH) hospital will receive an Uncompensated Care Payment (UCP) based on its share of uncompensated care as calculated by CMS for Medicare DSH hospitals. Currently, for FY 2014, the estimated per claim UCP amount is stored in PRICER. In order to make changes to the amounts more efficient, CMS is adding the estimated per claim UCP amount to the PSF.

The Medicare EHR Incentive Program provides incentive payments for eligible acute-care inpatient hospitals that are meaningful users of certified EHR technology. Eligible-acute care inpatient hospitals are defined as "subsection (d) hospitals"—which are generally hospitals that are paid under the IPPS and are located in one of the 50 states or the District of Columbia. Hospitals that are not meaningful users of certified EHR technology will be subject to payment adjustments beginning in FY 2015.

Model 1 of the Bundled Payments for Care Improvement (BPCI) initiative provides a discounted payment to Model 1 participating hospitals for the acute-care hospital stay. The discount will be phased in over the performance period of 3 years. To accommodate the 0.5% discount for months 7 to 12, the Model 1 discount percentage field in the PSF must be expanded.

SUMMARY OF CR8546 CHANGES

The inpatient PSF will be expanded to include 3 new fields and an expansion of the existing Model 1 discount percentage field as follows:

1. Add an indicator for hospitals subject to the Hospital Acquired Conditions (HAC) reduction program for future implementation.
2. Add an estimated interim per claim Uncompensated Care Payment amount.
3. Add an indicator for hospitals subject to an Electronic Health Records Incentive Program reduction for future implementation.

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4. Expand the existing 2-byte Model 1 discount percentage field to 3-bytes.

In order to avoid confusion with the 4 new payment amount fields created in CR8217, we are renaming them here. In addition, we are redefining existing filler in the output record PRICER returns to Fiscal Intermediary Standard System (FISS) to accommodate future policy and/or legislative changes that might require system changes.

The new fields are:

- PPS- EHR-PAYMENT-ADJUST-AMT PIC S9(07)V9(02).
- PPS-FLX5- PAYMENT PIC S9(07)V9(02).
- PPS-FLX6- PAYMENT PIC S9(07)V9(02)
- PPS-FLX7- PAYMENT PIC S9(07)V9(02).

The renamed fields are:

- From PPS-FLX1-PAYMENT to PPS-UNCOMP-CARE-AMOUNT
- From PPS-FLX2-PAYMENT to PPS-BUNDLE-ADJUST-AMT
- From PPS-FLX3-PAYMENT to PPS-VAL-BASED-PURCH-ADJUST-AMT
- From PPS-FLX4-PAYMENT to PPS-READMIS-ADJUST-AMT

Additional Information

The official instruction, CR8546 issued to your MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2933CP.pdf> on the CMS website.

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