

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



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- [“Internet-based PECOS Contact Information”](#) Fact Sheet, ICN 903766, downloadable

MLN Matters® Number: MM8699

Related Change Request (CR) #: CR 8699

Related CR Release Date: August 1, 2014

Effective Date: January 1, 2015

Related CR Transmittal #: R3005CP

Implementation Date: January 5, 2015

## Preventing Duplicate Payments When Overlapping Inpatient and Home Health (HH) Claims Are Received Out of Sequence

### Provider Types Affected

This MLN Matters® Article is intended for Home Health Agencies (HHAs) who bill Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### Provider Action Needed

This article is based on Change Request (CR) 8699 which improves safeguards to prevent payment of HH services when a beneficiary is an inpatient of a hospital or Skilled Nursing Facility (SNF). Make sure that your billing personnel are on the alert for overlapping claims dates.

### Background

In August 2012, the Office of Inspector General (OIG) issued report OEI-04-00240, entitled "Inappropriate and Questionable Billing by Medicare Home Health Agencies." One recommendation of this report was to improve existing edits to prevent inappropriate

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payments on HH claims that overlap claims for inpatient hospital stays or SNF stays. The Centers for Medicare & Medicaid Services (CMS) requested and received example claims from the OIG in order to research ways to improve the edits in Original Medicare claims systems that identify such overlaps. This review identified two gaps in current Medicare edits:

1. The edit that rejects HH claims when they have dates overlapping an inpatient stay (other than the admission date, discharge date, or a date during an occurrence span code 74 period indicating a leave of absence) does not consider inpatient stays in a swing bed (Type of Bill 018x); and
2. Medicare systems only identify overlaps with inpatient stays when the inpatient hospital or SNF claim was received before the HH claim.

## Key Points

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**CR8699 contains no new policy** but revises the Medicare systems to close gaps to prevent inappropriate payments on HH claims. The “Medicare Claims Processing Manual,” Chapter 10 (Home Health Agency Billing) will be changed to state the following:

- Beneficiaries cannot be institutionalized and receive home health care simultaneously. Claims for institutional inpatient services (inpatient hospital, SNF, and swing bed claims), have priority in Medicare claims editing over claims for HH services.
- If an HH Prospective Payment System (PPS) claim is received, and Medicare's Common Working File (CWF) finds dates of service on the HH claim that fall within the dates of an inpatient, SNF, or swing bed claim (not including the dates of admission and discharge and the dates of any leave of absence), Medicare systems will reject the HH claim. The HHA may submit a new claim removing any dates of service within the inpatient stay that were billed in error.
- If the HH PPS claim is received first and the inpatient hospital, SNF, or swing bed claim comes in later, but contains dates of service duplicating dates of service within the HH PPS episode period, Medicare systems will adjust the previously paid HH PPS claim to non-cover the duplicated dates of service.

The following remittance advice codes will be used for any HH visits non-covered as a result of CR8699:

- Group code: CO
- Claim Adjustment Reason Code: 96 (Non-covered charge(s))

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- Remittance Advice Remark Code: M80 (Not covered when performed during the same session/date as a previously processed service for the patient.)

## Additional Information

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The official instruction, CR8699 issued to your MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3005CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net-work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

For a comprehensive list of CMS HH educational products and information you may visit <http://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.html> on the CMS website.

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