



# MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

MLN Matters Number: MM3309

Related Change Request (CR) #: 3309

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Implementation Date: July 19, 2004

## **MMA - Expansion of Policy where Patient is a Member of a Medicare Advantage (MA) Organization for only a Portion of the Billing Period, to Include Inpatient Rehabilitation Facilities (IRF) and Long Term Care Hospitals (LTCH) (MMA section 211(e))**

**Note:** This article was updated on May 9, 2013, to reflect current Web addresses. All other information remains unchanged.

### **Provider Types Affected**

Hospitals (specifically Inpatient Rehabilitation Facilities and Long Term Care Hospitals)

### **Provider Action Needed**



#### **STOP – Impact to You**

This instruction reflects new policy that applies to coverage of Medicare beneficiaries in an IRF or LTCH who are in a Medicare Advantage organization for a portion of their stay per the Medicare Modernization Act of 2003 (MMA).



#### **CAUTION – What You Need to Know**

This instruction reflects new policy that applies to coverage of Medicare beneficiaries in an IRF or LTCH who are in a Medicare Advantage organization for a portion of their stay per the Medicare Modernization Act of 2003 (MMA).

#### **Disclaimer**

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### GO – What You Need to Do

Refer to the *Background* and *Additional Information* sections of this instruction for further details regarding this instruction.

## Background

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For hospitals paid under the Prospective Payment System (PPS), the Code of Federal Regulation (42 CFR 422.264) outlined a policy for coverage in a Medicare Advantage (MA) organization that begins or ends during an inpatient stay.

The rule states that **the patient's status at admission determines liability**. For example, a patient is admitted to a hospital on January 28<sup>th</sup> and is discharged on February 5<sup>th</sup>. On February 1<sup>st</sup> the patient enrolls in a MA organization. Medicare Fee-For-Service (FFS) is liable for this inpatient stay because the patient had Medicare FFS at admission.

A similar scenario would be true if the patient disenrolled in the MA organization on February 1<sup>st</sup>. In this case the MA organization would be responsible for this inpatient stay that started on January 25<sup>th</sup>.

There are no Medicare claims processing system changes needed for this CR because the system was set up to process claims correctly in this fashion since the inception of IRF and LTCH prospective payment.

This instruction notifies Medicare Fiscal Intermediaries (FIs) and providers that the Medicare Modernization Act of 2003 (MMA - Section 211(e)) expanded this policy to include IRFs and LTCHs. Also per the MMA, the terminology "Medicare Advantage" organization will be used instead of "Medicare + Choice" organization.

## Additional Information

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Following is an excerpt of the revised Chapter 1, Section 90 of the *Medicare Claims Processing Manual*, which reflects these changes.

"Where a patient either enrolls or disenrolls in an MA organization (See the General Information, Eligibility, and Entitlement Manual (Pub. 100-01), Chapter 5, section 80 for definition) during a period of services, two factors determine whether the MA organization is liable for the payment.

- Whether the provider is included in inpatient hospital or home health PPS; and
- The date of enrollment.

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### Hospital Services

If the provider is an inpatient acute care hospital, inpatient rehabilitation facility, or a long term care hospital, and the patient changes MA status during an inpatient stay for an inpatient institution, the patient's status at admission or start of care determines liability.

If the hospital inpatient was not a MA enrollee upon admission but enrolls before discharge, the MA organization is not responsible for payment.

For hospitals exempt from PPS (children's hospitals, cancer hospitals, and psychiatric hospitals/units) and Maryland Waiver hospitals, if the MA organization has processing jurisdiction for the MA involved portion of the bill, it will direct the provider to split the bill and send the appropriate portions to the appropriate FI or MA organization. When forwarding a bill to a MA organization, the provider must also submit the necessary supporting documents.

If the provider is not a PPS provider, the MA organization is responsible for payment for services on and after the day of enrollment up through the day that disenrollment is effective."

### Related Instructions

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The actual instructions issued to your intermediary can be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R207CP.pdf> on the CMS website.

If you have any questions, please contact your carrier/intermediary 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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