



# MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3934

MLN Matters Number: MM3934

Related CR Release Date: October 7, 2005

Related CR Transmittal #: 706

Effective Date: January 1, 2006

Implementation Date: January 3, 2006

## *Payment Methodology for Rehabilitation Services in IHS/Tribally Owned and/or Operated Hospitals and Hospital-Based Facilities*

**Note:** This article was updated on February 12, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

IHS/Tribally owned and/or operated hospitals and hospital-based facilities

### Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) is revising the methodology used for paying for Medicare Part B therapy services billed by IHS/Tribally owned and/or operated hospitals and hospital based facilities. The background section of this article clarifies the payment methodologies that will be used based on the TOB submitted to the Medicare intermediary.

### Background

Effective for services on or after January 1, 2006, Medicare intermediaries will make payment on claims from IHS/Tribally owned and/or operated hospitals and IHS/Tribally owned and/or operated hospital-based facilities (referred to as IHS/Tribal facilities in the remainder of this article) as follows:

- Claims submitted on TOBs 12X, 13X, or 83X by IHS/Tribal facilities for physical therapy, occupational therapy, speech-language pathology, and audiology services (revenue codes 042X, 043X, 044X, and 047X) will be paid by the Medicare intermediary, based on the Medicare Physician Fee Schedule (MPFS).
- Claims submitted on TOB 85X by IHS/Tribal facilities that are also Critical Access Hospitals (CAHs) for physical therapy, occupational therapy, speech-language pathology, and audiology services (revenue codes 042X, 043X, 044X, and 047X) will be paid by the Medicare intermediary on a reasonable cost basis.

#### Disclaimer

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- Beneficiary coinsurance and deductibles apply whether the claim is paid on a reasonable cost basis or based on the MPFS.
- Until the effective date of January 1, 2006, Medicare will pay IHS/Tribal facilities for these services using the all inclusive rate.

### Additional Information

The official instruction issued to your intermediary regarding this change may be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R706CP.pdf> on the CMS website.

If you have questions regarding this issue, please contact your intermediary at their toll-free number, which is available 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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