

MLN Matters Number: MM4264

Related Change Request (CR) #: 4264

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Implementation Date: July 3, 2006

## Payment of Same Day Transfer Claims Under the Inpatient Psychiatric Facility Prospective Payment System (IPF PPS)

**Note:** This article was updated on October 26, 2012, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

Inpatient psychiatric facilities (IPFs) billing Medicare fiscal intermediaries (FIs) for services paid under the IPF PPS.

### Provider Action Needed



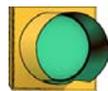
#### STOP – Impact to You

This article is based on Change Request (CR) 4264, which includes general policy and billing information to address questions on the IPF PPS.



#### CAUTION – What You Need to Know

CR4264 clarifies aspects of the IPF PPS including: Payment of Same Day Transfers, Calculating the TEFRA limit for IPFs located in CAHs for FYs 1999 through 2002 and the comorbidity category for chronic obstructive pulmonary disease.



#### GO – What You Need to Do

See the *Background* section of this article for further details.

### Background

The Centers for Medicare & Medicaid Services (CMS) released CR4264 to clarify issues related to processing claims and address questions on the IPF PPS, and CR4264 includes the following sections:

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- Same Day Transfers;
- Tax Equity and Fiscal Responsibility Act (TEFRA) Limit for IPFs Located in Critical Access Hospitals (CAHs) for Fiscal Years (FYs) 1999 through 2002; and
- Chronic Obstructive Pulmonary Disease (COPD) Comorbidity Category.

### ***Same Day Transfers***

A same day transfer occurs when a patient is admitted to an IPF and is subsequently transferred for acute care (or another type facility care) on the same day.

If the patient is admitted to an IPF with the expectation that the patient will remain overnight, but is discharged before midnight, the day is counted as a total day—that is, a cost report day but not a Medicare covered day.

Currently, same-day transfer claims are suspending in the Medicare claims processing system because the IPF PPS Pricer is not programmed to accommodate zero covered days, and there is no transfer policy under IPF PPS. This day will be considered covered and counted for cost reporting purposes, but will not be counted as a Medicare utilization day for the beneficiary.

Same Day Transfer IPF PPS claims suspended in FI systems since January 1, 2005 are to be released and will be paid a one day per diem stay according to the payment rules governing IPF PPS, and interest is to be applied.

### ***Tax Equity and Fiscal Responsibility Act (TEFRA) Limit for IPFs Located in CAHs for FY 1999 through FY 2002***

The IPF PPS final rule stated that if the provider ever had a TEFRA limit, the provider would not be a new provider under the IPF PPS, and CMS would use their TEFRA limit updated to current times. This included those providers that previously closed their psychiatric units and then re-opened.

- The rate-of-increase percentage for excluded hospitals and units (42CFR413.40(c), <http://www.gpoaccess.gov/cfr/retrieve.html>) is as follows:
- For the cost reporting period beginning FY 1999 through FY 2002, the applicable rate-of-increase percentage is the market basket increase percentage minus a factor based on the percentage by which the hospital's operating costs exceed the hospital's ceiling for the most recently available cost reporting period;
- In order to update the TEFRA limit to current times, the provider needs to have had a psychiatric unit in existence during FY 1999 - FY 2002;

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- To update the TEFRA limit when the psychiatric unit was closed for FY 1999 through FY 2002 and then re-opened, the rate-of-increase for these years would ordinarily be based on a comparison of the hospital or unit's operating costs to TEFRA limits over that period of time. However, since CAHs were statutorily precluded from having a distinct part psychiatric unit during those years, these units have no operating costs to compare to the TEFRA limit; and
- If a CAH reopens its psychiatric unit, the rate of increase updates for FY 1999 through FY 2002 would be the **full market basket up to the cap** on the target amounts under 42CFR413.40(c) for each year. In other words, use the full rate of increase to update the original TEFRA rate per discharge. You can find 42CFR413.40(c) at the following GPO website:  
<http://www.gpoaccess.gov/cfr/retrieve.html> on the Internet.

### *Chronic Obstructive Pulmonary Disease Comorbidity Category*

The IPF Pricer has not yet been updated with the expanded list of ICD-9-CM diagnosis codes (V46.13 and V46.14) that are related to V46.11 and V46.12. These new codes were effective for discharges on or after October 1, 2005. The revised IPF Pricer will be implemented with the new codes on April 3, 2006. The new codes are:

- **V46.13** (Encounter for Weaning from Respirator [Ventilator]); and
- **V46.14** (Mechanical Complication of Respirator [Ventilator]).

The IPF PPS allows for a comorbidity adjustment for certain comorbid conditions, and there are 17 comorbidity groupings as shown in the table at the end of this article. IPFs may be paid multiple comorbidity adjustments, but only one adjustment is allowed per category. The comorbidity category Chronic Obstructive Pulmonary disease has an adjustment factor of 1.12.

IPFs are instructed by CR4264 to resubmit claims with discharges between October 1, 2005 and March 31, 2006, billed with one of the new codes (V46.13 or V46.14), so that the Chronic Obstructive Pulmonary Disease comorbidity adjustment factor of 1.12 can be applied. The claims should be resubmitted on or after April 1, 2006, so they will be processed with the revised Pricer.

## Additional Information

For complete details, please see the official instruction issued to your intermediary regarding this change. That instruction may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R868CP.pdf> on the CMS website.

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If you have any questions, please contact your 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.

**Table – Comorbidity Categories-Adjustment Factors**

	17 Comorbidity Categories	Adjustment Factor
1.	Developmental Disabilities	1.04
2.	Coagulation Factor Deficit	1.13
3.	Tracheostomy	1.06
4.	Eating and Conduct Disorders	1.12
5.	Infectious Diseases	1.07
6.	Renal Failure, Acute	1.11
7.	Renal Failure, Chronic	1.11
8.	Oncology Treatment	1.07
9.	Uncontrolled Diabetes Mellitus	1.05
10.	Severe Protein Malnutrition	1.13
11.	Drug/Alcohol Induced Mental Disorders	1.03
12.	Cardiac Conditions	1.11
13.	Gangrene	1.10
14.	Chronic Obstructive Pulmonary Disease	1.12
15.	Artificial Openings – Digestive & Urinary	1.08
16.	Musculoskeletal & Connective Tissue Diseases	1.09
17.	Poisoning	1.11

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