



News Flash - Flu Season Is Upon Us! Begin now to take advantage of each office visit as an opportunity to encourage your patients to get a flu shot. It's still their best defense against combating the flu this season. *(Medicare provides coverage of the flu vaccine without any out-of-pocket costs to the Medicare patient. No deductible or copayment/coinsurance applies.)* And don't forget, health care personnel can spread the highly contagious flu virus to patients. Protect yourself. Don't Get the Flu. Don't Give the Flu. Get Your Flu Shot. Remember - Influenza vaccine plus its administration are covered Part B benefits. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare's coverage of the influenza virus vaccine and its administration as well as related educational resources for health care professionals, please go to http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Flu_Products.pdf on the CMS website.

MLN Matters Number: MM5383

Related Change Request (CR) #: 5383

Related CR Release Date: October 3, 2008

Effective Date: January 5, 2009

Related CR Transmittal #:R1612CP

Implementation Date: January 5, 2009

Revision of Interim Payment Methodology for Religious Nonmedical Health Care Institution (RNHCI), Clarifying Existing Policy on Training of Religious Nonmedical Nursing Personnel, Claims not Billed to the RNHCI Specialty Contractor, and Statutory End of Coverage for RNHCI Items and Services Furnished in the Home

Note: This article was updated on June 15, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Religious Nonmedical Health Care Institutions (RNHCI)

Impact on RNHCI

In recent years, RNHCI have experienced a disparity between their interim payments and final TEFRA year-end settlements. As a result, the Centers for Medicare & Medicaid Services (CMS) has modified the interim payment rate calculation to a per diem that more closely approximates each RNHCI's year-end allowable TEFRA payment limit. The RNHCI's billing is clarified and streamlined in

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the Medicare Claims Processing Manual revisions, which are attached to CR5383 in Transmittal 1612.

Some RNHCIs have submitted, and been paid for, religious nonmedical nursing education costs as “pass through” costs on the annual TEFRA cost reports. For such submittals, Medicare has initiated overpayment recovery steps. Several RNHCIs are providing religious nonmedical nursing education without indicating that activity on their cost reports. Medicare does not pay either based on charges or costs for training of nonmedical personnel.

Section 706 of the Medicare Modernization Act (MMA) of 2003 authorized coverage for a **time limited home service benefit** for RNHCIs, which ended on December 31, 2006. As of January 1, 2007, Medicare no longer provided coverage for the RNHCI home services benefit, including durable medical equipment (DME) items.

Key Points

When submitting charges (covered/non-covered), remember:

- Medicare is restricted by law and court order from paying for the religious portion of care or the training of personnel that provide that care. Additionally Medicare does not pay either based on charges or costs for training of nonmedical personnel. RNHCIs do not receive full Medicare payment for a beneficiary’s stay since the beneficiary is fiscally responsible for the religious aspects of care. Therefore, the original Medicare or Medicare health plan rate may be significantly lower than the RNHCI private pay rate which includes charges for the religious aspects of care.
- As medical procedures are not performed in a RNHCI, the use of high cost medical supplies are not separately payable. Supplies that require a physician order (e.g., specialty dressings, compression stockings, alternating pressure mattress pads) are not separately payable in a RNHCI. The use of diapers, incontinence pads, chux/underpads, feminine hygiene products, tissues, and the materials for simple dressings (cleansing and bandaging) are included in the daily room and board portion of the charges and should not be reported separately as supplies.
- Medical equipment (e.g., wheelchair, walker, crutches) are institution inventory items for beneficiary use in the RNHCI. The use of these items during the beneficiary stay is part of the daily interim payment to the RNHCI. To receive Medicare payment for DME following a RNHCI stay, a beneficiary would need to meet all of the criteria, including medical necessity, and obtain a physician order or prescription. A RNHCI is not authorized as a Medicare supplier and, therefore, may not offer DME items for purchase to beneficiaries.
- Nonmedical nursing personnel, for Medicare payment purposes, perform services (e.g., serving meals, assisting with activities of daily living) that are

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strictly nonmedical/non-religious. The statute and court order mandates only the coverage and payment under Part A for reasonable and necessary nonmedical/non-religious care.

- Medicare payment for religious nonmedical nursing personnel in a RNHCI, as in other inpatient facilities, is a component of the per diem rate and is not separately payable.
- The RNHCI must enter the total non-covered charges pertaining to the related revenue code, if any (e.g., religious items/services or religious activities performed by nurses or other staff, or convenience items that are not part of the Medicare daily interim payment rate.)

Examples of non-covered charges include:

- Non-covered religious items include but are not limited to religious publications, religious recordings, any equipment for the use of those recordings, any reproduction costs for these materials, and attendance at religious meetings.
- Religious sessions with RNHCI staff or outside associates.
- Expenses related to student programs/subsistence, staff education/training, travel, or relocation to be factored into the development of charges for covered patient care services.
- Stays, items, and services that are not substantiated by appropriate documentation in the beneficiary's utilization review file or care record.
- Convenience items (e.g., telephone, computer, beautician/barber).

Health Plans

A beneficiary covered by a Medicare health plan (e.g., Medicare health maintenance organization, preferred provider organization, competitive medical plan or other health care prepayment plans) must have prior authorization from their plan before admission to a RNHCI to assure payment for a specified time period. Continued stay reviews must be performed, submitted and approved at designated intervals identified by the plan to assure coverage by the Medicare health plan.

In the case of billing a Medicare health plan, the RNHCI charges for inpatient services should not exceed the established interim TEFRA per diem payment amount available under Medicare Part A. The Medicare health plan may obtain the current TEFRA per diem rate information by calling the specialty contractor responsible for the involved RNHCI.

Medicaid

The State agency may obtain the current Medicare rate information by calling the specialty contractor responsible for the RNHCI.

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Additional Information

For complete details regarding this Change Request (CR) please see the official instruction (CR5383) issued, which is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1612CP.pdf> on the CMS website.

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