



News Flash - Your Medicare Payments Could Be Reduced If The Internal Revenue Service (IRS) Needs To Collect Overdue Taxes That You Owe - The Taxpayer Relief Act of 1997, Section 1024, authorizes the IRS to reduce certain federal payments, including Medicare payments, to allow collection of overdue taxes. Should you owe such taxes and your payments are reduced, your remittance advice will reflect a provider level adjustment code (PLB) of "WU" in the PLB03-1 data field. For more information, please see MLN Matters Article #MM6125 available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6125.pdf> on the CMS website.

MLN Matters Number: MM6166

Related Change Request (CR) #: 6166

Related CR Release Date: September 5, 2008

Effective Date: October 1, 2008

Related CR Transmittal #: R1585CP

Implementation Date: October 6, 2008

Inpatient Rehabilitation Facility (IRF) Annual Update: Prospective Payment System (PPS) Pricer Changes for FY 2009

Provider Types Affected

Inpatient rehabilitation facilities (IRFs) submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 6166 which provides updated rates used to correctly pay IRF PPS claims for FY 2009. Be sure billing staff are aware of these changes.

Background

The FY 2009 IRF PPS Final Rule published on August 1, 2008, sets forth the prospective payment rates applicable for IRFs for FY 2009. A new IRF PRICER software package will be released prior to October 1, 2008, that will contain the

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updated rates that are effective for claims with discharges that fall within October 1, 2008 through September 30, 2009. Medicare systems will install the new revised Pricer program in a timely manner to ensure accurate payments for the IRF PPS claims with discharges occurring on or after October 1, 2008 through September 30, 2009.

PRICER Updates - For IRF PPS FY 2009, (October 1, 2008 – September 30, 2009):

- The standard Federal rate is: \$12,958
- The fixed loss amount is: \$10,250
- The labor-related share is: 75.464%
- The non-labor related share is: 24.536%
- Urban national average CCR is: 0.490
- Rural national average CCR is: 0.619

Additional Information

The official instruction, CR 6166, issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1585CP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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