



**News Flash – Attention: All Providers and Suppliers Selected to Participate in the 2010 Medicare Contractor Provider Satisfaction Survey (MCPSS)** Your chance to complete the MCPSS is running out. CMS needs to hear from you. Now is the time to provide CMS with your feedback on your satisfaction with the performance of the Medicare contractor that processes and pays your fee-for-service (FFS) Medicare claims. If you have questions about the survey, need help completing or accessing the online survey tool, or you no longer have your survey access information, please call the MCPSS Provider Helpline at 1-800-835-7012 or send an email to [mcpss@scimetrika.com](mailto:mcpss@scimetrika.com). Someone on the MCPSS team will be happy to assist you. Survey responses may also be submitted by telephone, fax, or postal mail. Your feedback is urgently needed now. Don't delay. Please respond today! Don't pass up this golden opportunity to let your voice be heard! For more information about the MCPSS, please visit the CMS MCPSS website at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCPSS/index.html>, or read the CMS MLN Matters Special Edition article, SE1005, at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1005.pdf> featuring the survey.

MLN Matters® Number: MM6916 Revised

Related Change Request (CR) #: 6916

Related CR Release Date: April 28, 2010

Effective Date: October 1, 2010

Related CR Transmittal #: R1958CP

Implementation Date: October 4, 2010

**Note:** This article was updated on December 6, 2012, to reflect current Web addresses. This article was previously revised on November 2, 2010, to add a reference to MLN Matters® article MM7034 which describes the updates to the payment rates used under the PPS for SNFs, for FY 2011. MM7034 may be found at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7034.pdf> on the CMS website. This link is also added in the Additional Information section.

## Skilled Nursing Facility (SNF) Health Insurance Prospective Payment System (HIPPS) Coding Updates Effective October 1, 2010

### Provider Types Affected

This article is for SNFs billing Medicare contractors (Fiscal Intermediaries (FIs) and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for services paid under the SNF HIPPS.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

## What You Need to Know

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**NOTE:** Recent legislation postponed implementation of the RUG-IV system until October 1, 2011. However, CMS is including new HIPPS codes that are included in the RUG-IV system into the standard system effective October 1, 2010. Further direction on HIPPS usage for October 1, 2010 is forthcoming.

This article is based on Change Request (CR) 6916 which describes major changes to the SNF HIPPS case-mix system. CR6916 contains an Addendum with new HIPPS codes resulting from the conversion to the new RUG-IV coding system. (CR 6916 and its addendum are available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1958CP.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.) The 5-digit HIPPS codes include two components: the 3-digit classification code assigned to each RUG group, and newly defined 2-digit assessment indicators (AIs) that specify the type of assessment used to support billing. Be sure your billing staff is aware of these changes.

## Background

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CMS has announced that effective October 1, 2010, they are revising the SNF HIPPS case-mix system. The revised system will include 66 resource utilization groups (RUGs). This revised system is called the RUG-IV coding system.

Annual updates to the PPS rates for SNFs are required by section 1888(e) of the Social Security Act (the Act), as added by section 4432 of the Balanced Budget Act of 1997 (Pub. L. 105–33, enacted on August 5, 1997), and amended by the Medicare, Medicaid, and State Children's Health Insurance Program Balanced Budget Refinement Act of 1999 (Pub. L. 106–113, enacted on November 29, 1999), the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (Pub. L. 106–554, enacted on December 21, 2000), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub. L. 108–173, enacted on December 8, 2003). CMS's most recent annual update occurred in a final rule (74 FR 40289, August 11, 2009) that set forth updates to the SNF PPS payment rates for FY 2010. Under the BBA, each update of the SNF PPS payment rates must include the case-mix classification methodology applicable for the coming Federal Fiscal Year (FY). The FY 2011 payment rates reflect the use of the RUG-IV system that was discussed in detail in the proposed and final rules for FY 2010.

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## Additional Information

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If you have questions, please contact your Medicare MAC or FI 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.

Providers may access HIPPS code information at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ProspectivePaymentSystem/downloads/RUGCodesandAIs/index.html> on the CMS website. This link contains documents with the complete list of RUG Codes and AIs billed for SNF Part A stays. Definitions and usages of each code are included. In addition, the site contains a master file of all valid/termed HIPPS codes. The official instruction (CR6916) issued to your Medicare A/B MAC and/or FI is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1958CP.pdf> on the CMS website.

Providers may want to review MLN Matters® article MM7034 which describes the updates to the payment rates used under the PPS for SNFs, for FY 2011. MM7034 may be found at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7034.pdf> on the CMS website.

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