

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



News Flash – The Medicare Learning Network® (MLN) has released the first in a series of podcasts designed to educate Fee-For-Service providers about how to avoid common billing errors and other improper activities when dealing with the Medicare Program. This podcast titled, "Recovery Audit Program (RAP) Demonstration High-Risk Medical Necessity Vulnerabilities for Inpatient Hospitals," is based on MLN Matters Article SE1027 and discusses some of the 17 findings identified by the RAP in an effort to prevent future improper payment issues. To download this podcast, go to the MLN Multimedia web page at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Multimedia.html> and click on 'Provider Compliance' from the list of topics. Stay tuned for future podcasts from the MLN!

MLN Matters® Number: MM7385

Related Change Request (CR) #: 7385

Related CR Release Date: April 22, 2011

Effective Date: July 23, 2011

Related CR Transmittal #: R2193CP

Implementation Date: July 23, 2011

Updates to Internet Only Manual (IOM) Pub. 100-04, Medicare Claims Processing Manual, Chapter 3: Inpatient Hospital Billing

Note: This article was updated on August 20, 2012, to reflect current Web addresses. All other content remains the same.

Provider Types Affected

Hospitals submitting claims to Fiscal Intermediaries (FI) and A/B Medicare Administrative Contractors (A/B MAC) for services provided to Medicare beneficiaries are affected by this article.

What You Should Know

This article is based on Change Request (CR) 7385, which informs you that the Centers for Medicare & Medicaid Services (CMS) is including the following correction

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and clarifications to “Medicare Claims Processing Manual,” Chapter 3 (Inpatient Hospital Billing):

- Corrects hemophilia diagnosis code descriptions (286.2 – “Congenital factor XI deficiency”, 286.3 in order to make it plural, and 286.5 –“Hemorrhagic disorder due to intrinsic circulating anticoagulants”) in Section 20.7.3 - Payment for Blood Clotting Factor Administered to Hemophilia Inpatients;
- Clarifies processing instructions for the non-outlier period after regular benefit days are exhausted in Section 40 of the manual to show that Inpatient Prospective Payment System (PPS) uses Occurrence Span Code 70 with the from and through dates of the non-outlier period after regular benefit days are exhausted; and
- Clarifies application of the Code First policy in Section 190.5.2 to show that Medicare systems search only the first secondary code for a psychiatric diagnosis code to assign the DRG-MS-DRG in order to pay Code First claims properly when the submitted PPS claim from an Inpatient Psychiatric Facility shows the principal diagnosis code as non-psychiatric.

NOTE: These changes are corrections and clarifications only and reflect no changes in Medicare policy.

Additional Information

The official instruction, CR 7385, issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2193CP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC 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.

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