

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



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## Updates to Claims Processing Instructions Regarding Religious Nonmedical Health Care Institutions (RNHCI)

**Note:** This article was revised on June 6, 2014, to add a reference to MLN Matters® article MM8559 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8559.pdf>) that alerts RNHCs about revisions to Medicare Systems edits related to diagnosis coding instructions and adds instructions regarding requests for denial letters when RNHCs provide a level of care that is not covered by Medicare. All other information is unchanged.

### Provider Types Affected

This MLN Matters® Article is intended for Religious Nonmedical Health Care Institutions (RNHCIs) billing their Medicare Administrative Contractor (MAC) for services provided to Medicare beneficiaries.

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## What You Need to Know

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This article is based on Change Request (CR) 8186 and updates instructions regarding RNHCI billing to reflect changes in Medicare contracting as well as changes in the UB-04 claim form and code sets. It also provides clarification regarding coding RNHCI claims when the beneficiary has exhausted his or her inpatient benefit days.

## Background

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Several sections of Chapter 3 of the "Medicare Claims Processing Manual" relating to RNHCI claims have not been updated since 2006. Since that time, the processing of RNHCI claims was shifted from a specialty Fiscal Intermediary (FI) to a specialty workload under one MAC jurisdiction. There were also changes to the UB-04 code sets, including the transition of utilization day fields to value codes. CR8186 updates the sections to ensure they reflect the current environment.

Additionally, the Centers for Medicare & Medicaid Services (CMS) is including additional education regarding how to code claims in situations where the beneficiary's inpatient benefits are exhausted.

## Key Points

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The following Key Points highlight the updates related to RNHCIs outlined in Chapter 3 of the "Medicare Claims Processing Manual." (You may review the manual changes in their entirety by reading the official instruction issued by CR8186. A link to CR8186 is in the Additional Information section of this article.)

- All submissions regarding RNHCI services are processed by a single Medicare contractor as a specialty workload. Currently, this specialty workload is part of MAC Jurisdiction 10.
- The RNHCI enters their National Provider Identifier (NPI). During Medicare processing, the NPI is matched to the RNHCI's CMS Certification Number (CCN). RNHCI CCNs are composed of a 2-digit state code and a 4-digit provider identifier in the range 1990-99.

In addition, CR8186 outlines the required data elements on claims for RNHCI Services; the following bullets highlight the revisions:

- If non-covered days are reported because the beneficiary's inpatient benefits were exhausted, the RNHCI must indicate whether the beneficiary elects to use lifetime reserve days. The RNHCI must indicate lifetime reserve days are used on the claim by reporting condition code 68. If the beneficiary elects not to use lifetime reserve days, the RNHCI must report condition code 67.

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- Occurrence codes are 2 alphanumeric digits, and are reported with a corresponding date. If non-covered days are reported due to days not falling under the guarantee of payment provision, the RNHCI reports occurrence code 20. If non-covered days are reported because the beneficiary's inpatient benefits were exhausted, the RNHCI reports occurrence code A3.
- If non-covered days are reported because the beneficiary was on a leave of absence and was not in the RNHCI, the RNHCI reports occurrence span code 74.
- For covered days use value code 80 to enter the total number of covered days during the billing period, including lifetime reserve days elected for which Medicare payment is requested. Covered days exclude any days classified as non-covered, the day of discharge, and the day of death. Covered days are always in terms of whole days rather than fractional days. As a result, the covered days do not include the day of discharge, even where the discharge was late in the day. Also, the RNHCI does not deduct any days for payment made under workers' compensation, automobile medical, no-fault, liability insurance, or an Employer Group Health Plan (EGHP) for an End-Stage Renal Disease (ESRD) beneficiary or employed beneficiaries and spouses age 65 or over. The specialty MAC will calculate utilization based upon the amount Medicare will pay and will make the necessary utilization adjustment. For non-covered days the RNHCI must use value code 81 to enter the total number of non-covered days in the billing period for which the beneficiary will not be charged utilization for Part A services. Non-covered days include:
  - Days not falling under the guarantee of payment provision.
  - Days not approved by the utilization review committee when the beneficiary does not meet the need for Part A services;
  - Days for which no Part A payment can be made because benefits are exhausted. This means that either lifetime reserve days were exhausted or the beneficiary elected not to use them.
  - Days for which no Part A payment can be made because the services were furnished without cost or will be paid for by the Veterans Administration.
  - Days after the date covered services ended, such as non-covered level of care;
  - Days for which no Part A payment can be made because the beneficiary was on a leave of absence and was not in the RNHCI.;
  - Days for which no Part A payment can be made because an RNHCI whose provider agreement has terminated may only be paid for covered inpatient services during the limited period following such termination. All days after the expiration of this period are non-covered.

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- The RNHCI enters in “Remarks” a brief explanation of any non-covered days not described in the occurrence codes. Show the number of days for each category of non-covered days (e.g., “5 leave days”).
- Day of discharge or death is not counted as a non-covered day. All hospital inpatient rules for billing non-covered days apply to RNHCI claims.
- For coinsurance days the RNHCI must use value code 82 to enter the number of covered inpatient days occurring after the 60th day and before the 91st day for this billing period.
- For Lifetime Reserve days the RNHCI must use value code 83 to enter the number of lifetime reserve days the beneficiary elected to use during this billing period.
- Lifetime reserve days are not charged where the average daily charge is less than the lifetime reserve coinsurance amount. The average daily charge consists of charges for all covered services furnished after the 90<sup>th</sup> day in the benefit period and through the end of the billing period.
- The RNHCI must notify the beneficiary of their right to elect not to use lifetime reserve days before billing Medicare for services furnished after the 90<sup>th</sup> day in the spell of illness. The determination to elect or withhold use of lifetime reserve days should be documented and kept on file at the provider.

## Additional Information

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The official instruction, CR8186 issued to your MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2654CP.pdf> on the CMS website.

You may also want to review MLN Matters® article MM8350 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8350.pdf>) which informs Medicare contractors about enforcement in Medicare systems diagnosis coding instructions on RNHCI claims. It also clarifies diagnosis code reporting on RNHCI claims for the ICD-10 transition.

You may want to review MLN Matters® article MM5383, *Revision of Interim Payment Methodology for 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*, at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM5383.pdf> on the CMS website.

If you have any questions, please contact your MAC 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.

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