

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



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MLN Matters® Number: MM9105

Related Change Request (CR) #: CR 9105

Related CR Release Date: May 1, 2015

Effective Date: September 2, 2015

Related CR Transmittal #: R42QRI

Implementation Date: September 2, 2015

Payments to Long Term Care Hospitals That Do Not Submit Required Quality Data

Provider Types Affected

This MLN Matters® Article is intended for Long Term Care Hospitals (LTCHs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 9105, which informs LTCHs that, for Fiscal Year (FY) 2014, and each subsequent year, if they do not submit required quality data, their payment rates for the year are reduced by 2 percentage points for that FY. Application of the 2-percent reduction may result in an update that is less than 0.0 for a FY and in payment rates for a FY being less than such payment rates for the preceding FY. In addition, reporting-based reductions to the market basket increase factor will not be cumulative. They will only apply for the FY involved.

Disclaimer

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Every year, the Centers for Medicare & Medicaid Services (CMS) will provide MACs with information identifying LTCHs not meeting the quality data reporting requirements. MACs will use that information to make appropriate payment reductions for those LTCHs. You should make sure that your billing staffs are aware of these changes and that you remain current with quality data reporting and submission requirements.

Background

Section 3004 of the Affordable Care Act amended the Social Security Act (the Act) to authorize a quality reporting program for LTCHs. Section 1886(m)(5)(A)(i) of the Act requires that, beginning with FY 2014 and each subsequent FY, the Secretary shall reduce the market basket update by 2 percentage points for any LTCH that does not comply with the quality data submission requirements with respect to that FY. Any reduction based on failure to comply with the reporting requirements, as required by Section 1886(m)(5)(B) of the Act, would apply only for the particular FY involved. Any such reduction would not be cumulative or be taken into account in computing the payment amount for subsequent FYs.

Key Points in CR9105

- Beginning with FY 2016 and subsequent years, MACs will notify the LTCHs that they have been identified as not complying with the requirements of submitting quality data and are scheduled to have Medicare payments to their agency reduced by 2 percentage points.
- LTCHs that are identified as non-compliant with regard to LTCH Quality Reporting will be sent an initial notification letter that indicates they are non-compliant. The letters will be sent no later than 10 business days from the receipt of the report from CMS, identifying the LTCHs that are potentially subject to reductions.
- The notification letter will also inform the LTCH of the process to request a reconsideration of their payment reduction if they disagree with the determination. The reconsideration process will be outlined within the initial notification letter.
- CMS will review all reconsideration requests received and provide a determination to the Medicare contractor typically within a period of 2 to 3 months. In its review of the LTCH documentation, CMS will determine whether evidence to support a finding of compliance has been provided by the LTCH. The determination will be made based solely on the documentation provided. If clear evidence to support a finding of compliance is not present, the 2-percent reduction will be upheld. If clear evidence of compliance is present, the reduction will be reversed.
- After the reconsideration process has occurred and prior to October 1 of each FY, CMS will provide the MACs with a final list of LTCHs that failed to comply with the data submission requirements.

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Additional Information

The official instruction, CR 9105, issued to your MAC regarding this change, is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R42QRI.pdf> on the CMS website.

More information on Long-Term Care Hospital (LTCH) Quality Reporting (QRP) may be found at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/LTCH-Quality-Reporting/> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net-work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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