



# MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

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## *Provider Notification Regarding Adjustments for Home Health Prospective Payment System (HH PPS) Claims Failing to Report Prior Inpatient Discharges*

**Note:** This article was updated on February 27, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

Home Health Agencies

### Provider Action Needed

This Special Edition (SE) alerts Home Health Agencies (HHAs) that the claims adjustment process related to the subject claims processed during federal Fiscal Year 2001 (October 2000 - September 2001) will begin in the coming weeks. The Outcomes and Assessment Information Set (OASIS) item M0175 (a beneficiary has not been discharged from a hospital within 14 days of the start of home health care) is the focus of this claims adjustment.

### Background

In 2003 and 2004, the Office of the Inspector General (OIG) issued reports to Medicare's four Regional Home Health Intermediaries (RHHIs) demonstrating that the Medicare program is vulnerable to making excess payments on HH PPS claims when certain OASIS information is reported in error.

When HHAs report in OASIS item M0175 that a beneficiary has not been discharged from a hospital within 14 days of the start of home health care, the claim for that beneficiary may in some cases be submitted using a Health Insurance Prospective Payment System (HIPPS) code for a higher paying payment group.

The OIG has found that Medicare has paid many claims with HIPPS codes representing no hospital discharge in cases where Medicare claims history shows that an inpatient stay did, in fact, occur.

The OIG recommended that the Centers for Medicare & Medicaid Services (CMS) and the RHHIs take action to recover these excessive payments.

#### Disclaimer

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## Claims Adjustment Action Plan

The following outlines the plan of action required to comply with the OIG directive.

### *M0175 Files*

CMS provided instructions to the RHHs on how to make adjustments to HH PPS claims and make the recommended recoveries using files, supplied by CMS, known as the "M0175 downcode files" (which identify adjustments to recover excessive payments) and "M0175 upcode files" (which identify claims that have been underpaid).

The RHHs will make adjustments associated with these two files simultaneously so that payment of underpayments can help offset recovery of excessive payments. The RHHs are currently testing the process by creating the adjustment claims and suspending these adjustments in a location in their system where HHAs can view them for a five-week period. The adjustments will have Type of Bill (TOB) 32I or 33I.

The provider notification and inspection period will begin October 24, 2005. During the five weeks following October 24, HHAs may inspect the adjustments to determine how many apply to their agency and to identify any claims that may have been identified for adjustment in error. If a downcoding error is found (that is, an adjustment claim for which the HHA is certain there was no prior inpatient stay), HHAs may contact their RHHI to request that the error be corrected.

CMS estimates of the impact of these adjustments suggest that the cash impact on most HHAs is not substantial. However, HHAs that believe the processing of all adjustments at one time will cause a hardship may also contact the RHHI to request special consideration.

### *Processing Dates*

RHHs will process all the adjustments during the week of November 28, 2005. The payment of underpaid claims that help offset collection of excessive payments will appear on the HHA's next remittance advice. RHHs will offset any balance that remains due against current claims on the same remittance.

## Additional Information

The CMS web site for OASIS can be found at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/OASIS/index.html> on the CMS website. The purpose of this web site is to store and disseminate policy and technical information related to OASIS for use in HHAs, and it is intended to assist HHAs, state agencies, software vendors, professional associations, and other federal agencies in implementing and maintaining OASIS.

Special Edition SE0410, "Medicare Resources for Researching Inpatient Discharges Within 14 Days of a Home Health Admission," provides additional information and can be viewed at:

<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0410.pdf> on the CMS website.

If you have questions, please contact your RHHI at their toll-free number, which can 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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