



**MLN Connects**<sup>TM</sup>

*National Provider Call*

# Hospital Appeals Settlement: Introductory Information

September 9, 2014



# The Medicare Learning Network®

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# Presenters

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# Agenda

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- I. Background
- II. Proposed Settlement
- III. Eligible Providers
- IV. Eligible Claims
- V. Initiation
- VI. Validation
- VII. Payment
- VIII. Q+As

# Question & Answer Process

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During this call you may email your questions to Centers for Medicare & Medicaid Services (CMS) at:

[MedicareSettlementFAQs@cms.hhs.gov](mailto:MedicareSettlementFAQs@cms.hhs.gov)

For questions submitted but not answered during this call, CMS will post answers to its website at:

<http://go.cms.gov/InpatientHospitalReview>

# Background

- Office of Medicare Hearings and Appeals Federal Register Notice in January 2014:
  - Unprecedented growth in claim appeals
- Collaborative Efforts to Reduce **Future** Appeals:
  - Final Rule 1599 (published in August 2013), also known as the “2-Midnight Rule”, clarified how Medicare contractors review inpatient hospital and critical access hospital (CAH) admissions for payment purposes
  - Part B billing: Interim Rule 1455-R and Final Rule 1599

# Proposed Settlement

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- To more quickly reduce the volume of patient status claim denials currently pending appeal, CMS is providing a process for resolving patient status determinations that are:
  - Pending appeal or
  - within the timeframe to request an appeal review



# Proposed Settlement

- CMS is proposing to make a partial payment:
  - 68% percent of the net payable amount of the denied inpatient claim
  - Hospitals agree to the dismissal of all associated claim appeals
    - **This settlement includes all eligible claims. Providers\* may not choose to settle some of these claims and not others.**
  - Accept the settlement as final administrative and legal resolution of the eligible claims

\*Provider refers to an entity with a 6-digit provider number, also known as the provider's CCN, OSCAR, or PTAN number

# Proposed Settlement: Eligible Providers

- The following facility types are generally ELIGIBLE to submit a settlement request:
  - Acute Care Hospitals, including those paid via Prospective Payment System (PPS), Periodic Interim Payment (PIP), and Maryland waiver;
  - Critical Access Hospitals (CAH)
- The following facility types are NOT ELIGIBLE to submit a settlement request:
  - Psychiatric hospitals paid under the Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS);
  - Inpatient Rehabilitation Facilities (IRFs);
  - Long-Term Care Hospitals (LTCHs);
  - Cancer hospitals; and
  - Children’s hospitals.

# Proposed Settlement: Eligible Claims

- Claim pending appeal or within the timeframe to request appeal review
- Denial based on the appropriateness of the inpatient admission (patient status review)
- Date of Admission prior to 10/1/2013
- Not previously withdrawn/ billed for Part B payment

# Proposed Settlement: Initiation

- Hospitals will send to CMS ([MedicareAppealsSettlement@cms.hhs.gov](mailto:MedicareAppealsSettlement@cms.hhs.gov)):
  1. Hospital Signed Administrative Agreement\*
  2. Spreadsheet of Claims/ Appeals Numbers\*
- Hospitals agree to stay appeals during validation process
- Initial settlement requests are due to CMS on or before October 31, 2014

\* The documents above, as well as an instruction sheet for completion, are available for download at <http://go.cms.gov/InpatientHospitalReview>

# Proposed Settlement: Validation

- CMS and its contractors will review the hospital provided data against their own information
  - For claims which CMS agrees with the hospital:
    - Medicare Administrative Contractor (MAC) sends agreement lists to hospital for final review
    - Hospital sends CMS either
      - Confirmation to proceed, or
      - Notice of abandonment
    - CMS signs agreement
    - MAC will effectuate the payment
    - Appeal entities will dismiss associated appeals

# Proposed Settlement: Validation

- When CMS finds discrepancies:
  - CMS may add additional eligible claims
  - MAC sends disagreements/additions to hospital for review
    - if hospital agrees - resubmit revised spreadsheet and administrative agreement
    - if hospital disagrees - MAC and the hospital will have discussions
  - MAC effectuates a second payment based on Round 2 validation
  - Appeal entities will dismiss associated appeals

# Proposed Settlement: Payment

- Single\* payment (EFT or otherwise) per hospital provider number or per owner or operator of multiple setting hospitals
- Payment within 60 days of effective date of the Agreement (i.e. co-signed by both parties)
- Provider shall not seek additional payment from Medicare beneficiary or collect any deductible or coinsurance amount
  - May retain amounts already paid

\*A second payment may be made if CMS/contractors disagree with one or more of the claims on the initial hospital list

# Resources

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- Website: <http://go.cms.gov/InpatientHospitalReview>  
(\*Note- web address is case sensitive)
- Send Settlement Requests to CMS at:
  - [MedicareAppealsSettlement@cms.hhs.gov](mailto:MedicareAppealsSettlement@cms.hhs.gov)
- Send Questions to CMS at:
  - [MedicareSettlementFAQs@cms.hhs.gov](mailto:MedicareSettlementFAQs@cms.hhs.gov)



# Question & Answer Session

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# Acronyms in this Presentation

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- **ALJ**- Administrative Law Judge
- **CAH**- Critical Access Hospital
- **CMS**- Centers for Medicare & Medicaid Services
- **DAB**- Departmental Appeals Board
- **EFT**- Electronic Funds Transfer
- **IPF PPS**- Psychiatric hospitals paid under the Inpatient Psychiatric Facilities Prospective Payment System
- **IRF**- Inpatient Rehabilitation Facility
- **LTCH**- Long-Term Care Hospitals
- **MAC**- Medicare Administrative Contractor
- **OMHA**- Office of Medicare Hearings and Appeals
- **PIP**- Periodic Interim Payment
- **QIC**- Qualified Independent Contractors

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- To complete the evaluation, visit <http://npc.blhtech.com/> and select the title for today's call.

# Thank You

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- For more information about the MLN Connects National Provider Call Program, please visit <http://cms.gov/Outreach-and-Education/Outreach/NPC/index.html>.
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