Revision of Interim Payment Methodology for Religious Nonmedical Health Care Institution (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 – JA5383

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Contractors Affected	RNHCI Specialty Contractor
Provider Types Affected	RNHCIs

- Change Request (CR) 5383 clarifies and streamlines RNHCI's billing in the *Medicare Claims Processing Manual.*
  - It revises the methodology for interim payments and related clarification of billing instructions;
  - It clarifies existing policy on training of religious nonmedical nursing personnel; and
  - It removes coverage related information regarding RNHCI services in the home, which by statute (Medicare Modernization Act of 2003 (MMA), Section 706) ended December 31, 2006.

Provider Needs to Know…

Important Things to Remember when Submitting Charges (covered/non-covered)

- Medicare is restricted by law and court order from paying for the religious portion of care or the training of personnel that provide that care. Additionally, Medicare does not pay, either based on charges or costs, for training of nonmedical personnel.
- RNHCIs do not receive full Medicare payment for a beneficiary's stay since the beneficiary is fiscally responsible for the religious aspects of care. Therefore, the original Medicare or Medicare health plan rate may be significantly lower than the RNHCI private pay rate, which includes charges for the religious aspects of care.
- As medical procedures are not performed in a RNHCI, the use of high cost medical supplies are not separately payable.
- Supplies that require a physician order (e.g., specialty dressings, compression stockings, alternating pressure mattress pads) are not separately payable in a RNHCI.
- The use of diapers, incontinence pads, chux/underpads, feminine hygiene products, tissues, and the materials for simple dressings (cleansing and bandaging) are included in the daily room and board portion of the charges and should not be reported separately as supplies.
- Medical equipment (e.g., wheelchair, walker, crutches) are institution inventory items for beneficiary use in the RNHCI. The use of these items during the beneficiary stay is part of the daily interim payment to the RNHCI. To receive Medicare payment for durable medical equipment (DME) following a RNHCI stay, a beneficiary would need to meet all of the criteria, including medical necessity, and obtain a physician order or prescription.
- A RNHCI is not authorized as a Medicare supplier. Therefore, they may not offer DME items for purchase to beneficiaries.
- For Medicare payment purposes, nonmedical nursing personnel perform services (e.g., serving meals, assisting with activities of daily living) that are strictly nonmedical/non-religious. The statute and court order mandates only the coverage and payment under Part A for reasonable and necessary nonmedical/non-religious care.
- Medicare payment for religious nonmedical nursing personnel in a RNHCI, as in other inpatient facilities, is a component of the per diem rate and is not separately payable.

Non-Covered Charges

- The RHNCI must enter the total non-covered charges pertaining to the related revenue code, if any (e.g., religious items/services or religious activities performed by nurses or other staff, or convenience items that are not part of the Medicare daily interim payment rate.)
- Examples of non-covered charges include:
  - Non-covered religious items include but are not limited to religious publications, religious recordings, any equipment for the use of those recordings, any reproduction costs for these materials, and attendance at religious meetings;
  - Religious sessions with RNHCI staff or outside associates;

- Expenses related to student programs/subsistence, staff education/training, travel, or relocation to be factored into the development of charges for covered patient care services;
- Stays, items, and services that are not substantiated by appropriate documentation in the beneficiary's utilization review file or care record; and
- Convenience items (e.g., telephone, computer, beautician/barber).

Health Plans

- A beneficiary covered by a Medicare health plan (e.g., Medicare health maintenance organization, preferred provider organization, competitive medical plan or other health care prepayment plans) must have prior authorization from their plan before admission to a RNHCI to assure payment for a specified time period.
- Continued stay reviews must be performed, submitted, and approved at designated intervals identified by the plan to assure coverage by the Medicare health plan.
- In the case of billing a Medicare health plan, the RNHCI charges for inpatient services should not exceed the established interim Tax Equity and Fiscal Responsibility Act (TEFRA) per diem payment amount available under Medicare Part A.
- The Medicare health plan may obtain the current TEFRA per diem rate information by calling the specialty contractor responsible for the involved RNHCI.

Medicaid

- The state agency may obtain the current Medicare rate information by calling the specialty contractor responsible for the RNHCI.

Background

- In recent years, RNHCIs have experienced a disparity between their interim payments and final TEFRA year-end settlements. As a result, the Centers for Medicare & Medicaid Services (CMS) has modified the interim payment rate calculation to a per diem that more closely approximates each RNHCI's year-end allowable TEFRA payment limit.
- Some RNHCIs have submitted, and been paid for, religious nonmedical nursing education costs as "pass through" costs on the annual TEFRA cost reports. For such submittals, Medicare has initiated overpayment recovery steps.
- Several RNHCIs are providing religious nonmedical nursing education without indicating that activity on their cost reports. Medicare does not pay either based on charges or costs for training of nonmedical personnel.
- Section 706 of the MMA authorized coverage for a time limited home service benefit for RNHCIs, which ended on December 31, 2006. As of January 1, 2007, Medicare no longer provided coverage for the RNHCI home services benefit, including DME items.

Operational Impact	N/A
Reference Materials	This section includes links to relevant CMS publication i.e. MLN Matters articles, CRs or IOM sections. E.g., The related MLN Matters article can be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5383.pdf* on the CMS website. The official instruction (CR5383) issued regarding this change may be found at *http://www.cms.hhs.gov/Transmittals/downloads/R1612CP.pdf* on the CMS website.