

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-01 Medicare General Information, Eligibility, and Entitlement	Centers for Medicare & Medicaid Services (CMS)
Transmittal 39	Date: June 9, 2006
	Change Request 5129

Subject: Update-Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) Rate Year 2007

I. SUMMARY OF CHANGES: This Change Request (CR) includes general policy and billing information to address questions on IPF PPS. Specifically, the CR indicates changes that will be required as part of the annual IPF PPS update for Rate Year (RY) 2007. These changes include a new time frame requirement for physicians to recertify patients in IPFs and to recertify that the patient continues to need active treatment on a daily basis.

New/Revised Material:

Effective Date: July 1, 2006

Implementation Date: July 3, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	4/10/10.9/Inpatient Psychiatric Facility Services Certification and Recertification

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Business Requirements

Pub. 100-01	Transmittal: 39	Date: June 9, 2006	Change Request 5129
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SUBJECT: Update- Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) Rate Year 2007

I. GENERAL INFORMATION

A. Background: On November 15, 2004, we published in the Federal Register a final rule that established the prospective payment system for Inpatient Psychiatric Facilities (IPF) under the Medicare program in accordance with provisions of Section 124 of Public Law 106-113, the Medicare, Medicaid and SCHIP Balance Budget Refinement Act of 1999 (BBRA). Payments to IPFs under the IPF PPS are based on a Federal Per Diem base rate that includes both inpatient operating and capital-related costs (including routine and ancillary services), but excludes certain pass-through costs (i.e., bad debts, and graduate medical education). We are required to make updates to this prospective payment system annually. The Rate Year (RY) update is effective July 1- June 30 of each year and the DRGs and ICD-9-CM codes are updated on October 1 of each year. This is the first RY update to the IPF PPS.

This Change Request (CR) identifies changes that are required as part of the annual IPF PPS update from the RY 2007 IPF PPS Final Rule. Specifically, these changes include a new time frame requirement for physicians to recertify patients in IPFs and to recertify that the patient continues to need active treatment on a daily basis.

These changes are applicable to IPF discharges occurring during the rate year beginning on July 1, 2006, through June 30, 2007.

B. Policy:

Physician Certification and Recertification Update

For the purposes of payment under the IPF PPS, we are requiring that all IPFs (distinct part psychiatric units of acute care hospitals and CAHs and psychiatric hospitals) follow the physician certification and recertification requirements as specified in 42 CFR 424.14.

Physician Certification is required at the time of admission or as soon thereafter as is reasonable and practicable, and the first recertification is required as of the 12th day of hospitalization. Subsequent recertifications are required at intervals established by the hospital's UR committee (on a case-by-case basis if desired), but no less frequently than every 30 days.

The physician will also recertify that the patient continues to need, on a daily basis, active treatment furnished directly by or requiring the supervision of IPF personnel.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5129.1	<p>NOTE: FIs should be aware that, effective July 1, 2006, all IPFs (freestanding psychiatric hospitals and distinct part units of acute care hospitals and CAHs) must meet the physician certification and recertification requirements specified in 42 CFR 424.14. Certification is required at the time of admission or as soon thereafter as is reasonable and practicable. The first recertification is required as of the 12th day of hospitalization and subsequent recertifications are required at intervals established by the U R committee (on a case-by-case basis if it so chooses), but no less frequently than every 30 days. The physician must also re-certify that the patient continues to need, on a daily basis, active inpatient psychiatric treatment furnished directly by or requiring the supervision of IPF personnel.</p>									

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	<p>A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: July 1, 2006</p> <p>Implementation Date: July 3, 2006</p> <p>Pre-Implementation Contact(s): Policy: Dorothy Colbert, (410) 786-9671 Claims Processing: Sarah Shirey-Losso, (410) 786-0187</p> <p>Post-Implementation Contact(s): Appropriate CMS Regional Office</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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Medicare General Information, Eligibility, and Entitlement

Chapter 4 - Physician Certification and Recertification of Services

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(Rev.39, 06-09-06)

10.9 - Inpatient Psychiatric *Facility* Services Certification and Recertification

10.9 - Inpatient Psychiatric *Facility* Services Certification and Recertification

(Rev.39, Issued: 06-09-06, Effective: 07-01-06, Implementation: 07-03-06)

The requirements for physician certification and recertification for inpatient psychiatric *facility* services are similar to the requirements for certification and recertification for inpatient hospital services. However, there is an additional certification requirement. *In accordance with 42 CFR 424.14, all IPFs (distinct part units of acute care hospitals, CAHs, and psychiatric hospitals) are required to meet the following certification and recertification requirements.*

At the time of admission or as soon thereafter as is reasonable and practicable, a physician (the admitting physician or a medical staff member with knowledge of the case) must certify the medical necessity for inpatient psychiatric hospital services. *The first recertification is required as of the 12th day of hospitalization. Subsequent recertifications will be required at intervals established by the hospital's utilization review committee (on a case-by-case basis), but no less frequently than every 30 days.*

There is also a difference in the content of the certification and recertification statements. The required physician's statement should certify that the inpatient psychiatric *facility* admission was medically necessary for either: (1) treatment which could reasonably be expected to improve the patient's condition, or (2) diagnostic study.

The physician's recertification should state:

1. That inpatient psychiatric hospital services furnished since the previous certification or recertification were, and continue to be, medically necessary for either:
 - a. Treatment which could reasonably be expected to improve the patient's condition;
 - b. Diagnostic study;
2. The hospital records indicate that the services furnished were either intensive treatment services, admission and related services necessary for diagnostic study, or equivalent services, **and**
3. *Effective July 1, 2006, physicians will also be required to include a statement recertifying that the patient continues to need, on a daily basis, active treatment furnished directly by or requiring the supervision of inpatient psychiatric facility personnel.*

For convenience, the period covered by the physician's certification and recertification is referred to a period during which the patient was receiving active treatment. If the patient

remains in the hospital but the period of "active treatment" ends (e.g., because the treatment cannot reasonably be expected to improve the patient's condition, or because intensive treatment services are not being furnished), program payment can no longer be made even though the patient has not yet exhausted his/her benefits. Where the period of "active treatment" ends, the physician is to indicate the ending date in making his recertification. If "active treatment" thereafter resumes, the physician should indicate, in making his recertification, the date on which it resumed.