

# Business Requirements

Pub. 100-08	Transmittal: 52	Date: October 10, 2003	Change Request 2915
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**Subject: The Report of Benefit Savings**

## I. GENERAL INFORMATION

### A. Background:

This notification is to advise you of the change in conversion factors for FY 2004. Fiscal Intermediaries utilize conversion factors to determine Medicare Part A workload savings, in order to accommodate changes in home health and skilled nursing facility rates. Chapter 7, section 8, of the Program Integrity Manual will be updated to contain the FY 2004 conversion factors, medical review codes and categories.

**Contractors must enter data for FY 2004 by selecting year 1992 in the RBS system. Data may already exist in the RBS system for 1992, so you will have to delete or update the existing record in order to enter the new data for FY 2004. No changes to standard systems are required.**

### B. Policy:

Chapter 7, section 8, of the Program Integrity Manual will be updated to contain the FY 2004 conversion factors, medical review codes and categories.

**C. Provider Education:** No provider education is needed.

## II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
7.10	Contractors must enter savings data for FY 2004 by selecting year 1992 in the RBS system to represent FY 2004. Data may already exist in the RBS system for 1992, so you will have to delete or update the existing record in order to enter the new data for FY 2004. Use conversion factors to convert charges to costs.	Contractor Staff

## II. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### A. Other Instructions:

X-Ref Requirement #	Instructions
N/A	

### B. Design Considerations:

<b>X-Ref Requirement #</b>	<b>Recommendation for Medicare System Requirements</b>
N/A	No changes to standard systems are required.

**C. Interfaces:** N/A

**D. Contractor Financial Reporting /Workload Impact:**

Fiscal Intermediaries must utilize FY 2004 conversion factors (found in the Program Integrity manual, Chapter 7, Section 10) to determine Medicare Part A workload savings, in order to accommodate changes in home health and skilled nursing facility rates.

**E. Dependencies:** N/A

**F. Testing Considerations:** N/A

**IV. OTHER CHANGES**

<b>Citation</b>	<b>Change</b>
N/A	

**V. CMS Contacts:**

<p><b>Effective Date:</b> October 1, 2003</p> <p><b>Implementation Date:</b> January 1, 2004</p> <p>(Although the effective date and the implementation date are different, this PM still applies to all of the FY 2004 quarterly data in the RBS system.)</p> <p><b>Pre-Implementation Contact(s):</b> Sandra Latimer, 410-786-9178</p>	<p><b>These instructions should be implemented within your current operating budget.</b></p> <p><b>Post-Implementation Contact(s):</b> Sandra Latimer, 410-786-9178</p>
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# ATTACHMENT 1

## Report of Benefit Savings

### Conversion Factors for FY 2004

<u>Code</u>	<u>Category</u>	<u>Conversion Factor</u>
1	Hospital PPS	100%
2	Hospital Non-PPS	78.63%
3	Hospital Outpatient	78.72%
4	Hospital Ancillary Charge	62.91%
5	SNF Days Non PPS	\$266.39
6	SNF Outpatient Charges	72%
7	SNF Ancillary Charges	80%
8	ESRD	80%
9	Outpatient PT/Rehab	80%
10	CORF	80%
11	Rural Health Center	80%
12	Other Part B	80%
13	Program Integrity Savings	100%
14	Open Biopsy	\$3,000 per review
15	All Audits	100%
16	SNF PPS & SNF PPS Demand Days	\$266.39
17	SNF Non-PPS Demand Days	\$266.39
18	HHA Skilled Nursing Visit	\$ 97.38
19	HHA Speech Therapy Visit	\$115.70
20	HHA Physical Therapy Visit	\$106.47
21	HHA Aide Visit	\$ 44.09
22	HHA Occupational Therapy	\$107.19
23	HHA Medical Social Services Visit	\$156.10
24	HHA DME/Supplies	80%
25	Outpatient HHA (Part B)	80%
26	Hospice	80%
27	CCR Skilled Nursing Visit	\$ 97.38
28	CCR Speech Therapy Visit	\$115.70
29	CCR Physical Therapy Visit	\$106.47
30	CCR Aide Visit	\$ 44.09
31	CCR Occupational Therapy Visit	\$107.19
32	CCR Medical Social Services Visit	\$156.10

**Use conversion factors to convert charges to costs.**