

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-02 Medicare Benefit Policy	Centers for Medicare & Medicaid Services (CMS)
Transmittal 69	Date: APRIL 27, 2007
	Change Request 5474

Transmittal 69, CR 5474, originally sent via RO-4906 and CI-4668, is being recommunicated to change the Effective Date in the Business Requirements and in the manual instruction to correspond with the Effective Date on the transmittal page. Originally, the date was October 1, 2007 and the correct date is December 3, 2007. All other information remains the same.

Subject: Change to the Inpatient Psychiatric Facility Prospective Payment System (IPF PPS) Discharge Bill

I. SUMMARY OF CHANGES: Under TEFRA, the Provider Statistical and Reimbursement (PS&R) Report used the benefits exhaust date as the discharge date. This changed when the IPF PPS became effective in 2005, and the 'actual' discharge date was used to define discharge. This change request redefines the policy to use the benefits exhaust date as the discharge date, and is consistent with the previous methodology.

New / Revised Material

Effective Date: December 3, 2007

Implementation Date: December 3, 2007

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

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	2/Table of Contents
N	2/90/Benefits Exhaust

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-02	Transmittal: 69	Date: April 27, 2007	Change Request: 5474
-------------	-----------------	----------------------	----------------------

Transmittal 69, CR 5474, originally sent via RO-4906 and CI-4668, is being recommunicated to change the Effective Date in the Business Requirements and in the manual instruction to correspond with the Effective Date on the transmittal page. Originally, the date was October 1, 2007 and the correct date is December 3, 2007. All other information remains the same.

SUBJECT: Change to the Inpatient Psychiatric Facility Prospective Payment System (IPF PPS) Discharge Bill

Effective Date: December 3, 2007

Implementation Date: December 3, 2007

I. GENERAL INFORMATION

A. Background: In the IPF PPS, claims are currently paid based on the date the beneficiary is physically discharged rather than on the date benefits are exhausted. In accordance with §1812 of the Act, benefits exhaust when no benefit days remain in the beneficiary's applicable benefit period (Full, Co-days, and Life Time Reserve days if condition code 67 is not used) or when the beneficiary has exhausted the 190-day lifetime limit in a psychiatric hospital. (Note: For psychiatric hospitals both regular benefits and psychiatric benefits must be used simultaneously. If either regular days or psychiatric days are exhausted, then the claim is a benefits exhaust claim). Some psychiatric patients may have longer lengths of stays than the median length of stay of 9 days, and their associated claims may cross a rate year change and would be paid at the higher rate (i.e., higher ECT rate or outlier). Final bills are not submitted until the patient is officially discharged (i.e., patient physically leaves the hospital or dies). When benefits exhaust, type of bills (TOB) 117 with a patient status code of 30 (still an inpatient), also known as continuation bills, are submitted. In addition, psychiatric patients with long lengths of stays may not be captured on the applicable Provider Statistical and Reimbursement (PS&R) report because they have not yet been discharged.

B. Policy: Effective December 3, 2007, for payment purposes, an IPF discharge occurs when benefits exhaust. The claim will be paid either on the discharge date if benefits are available or on the benefit exhaust date if the discharge is after the benefit exhaust date. This Change Request (CR) allows the following:

- Benefits exhaust date to substitute for the discharge date for payment purposes;
- The PRICER version used will be the one in effect at the time the services were provided;
- No pay/110 TOBs are allowed instead of continually adjusting the claims (117 TOB) until actual discharge occurs once benefits exhaust.

Under the Tax Equity and Fiscal Responsibility Act (TEFRA), the PS&R report used the benefits exhaust date as the discharge date. This changed when the IPF PPS was implemented, and the 'actual' discharge date was used. This CR redefines the policy and is consistent with the previous methodology. This will make it easier for the PS&R report (especially during the blend period) to settle the cost report as the days stay with the year they occurred. This change in policy means:

1. Claims will now be settled on the appropriate cost report;
2. The appropriate PPS-TEFRA blend percentage will be paid;
3. Patients with long lengths of stay will be counted on the correct PS&R report;

4. The PRICER version used will be the one in effect at the time the services were provided.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B M A C	D M M A C	F I I E R	C A I E R	D M R C	R E R I	H E H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F			
5474.1	Contractors and Maintainers shall be in compliance with instructions in Pub. 100-02, Chapter 2, section 90.	X						X			X		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B M A C	D M M A C	F I I E R	C A I E R	D M R C	R E R I	H E H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F			
	None.												

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below: N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s):
Jana.Lindquist@cms.hhs.gov, or (410) 786-9374

Dorothy.Myrick@cms.hhs.gov, or (410) 786-9671

Post-Implementation Contact(s): Regional Office

VI. FUNDING

A. TITLE XVIII Contractors:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. Medicare Administrative Contractors:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Medicare Benefit Policy Manual

Chapter 2 - Inpatient Psychiatric Hospital Services

Table of Contents *(Rev. 69, 04-27-07)*

90 - Benefits Exhaust

90- Benefits Exhaust

(Rev. 69; Issued: 04-27-07; Effective: 12-03-07; Implementation: 12-03-07)

Effective December 3, 2007, for payment purposes, an IPF discharge occurs when benefits exhaust and the benefits exhaust date will substitute for the discharge date. The claim will be paid either on the discharge date if the benefits are available or on benefit exhaust date if the discharge is after the benefits exhaust date. When the services actually are provided, the PRICER version used to price claims for the time will be used. No pay/110 TOBs are allowed instead of continually adjusting the claims (117 TOB) until actual discharge occurs once benefits exhaust.

Under the Tax Equity and Fiscal Responsibility Act (TEFRA), the Provider Statistical and Reimbursement (PS&R) report used the benefits exhaust date as the discharge date. This changed when the IPF PPS was implemented, and the 'actual' discharge date was used. The days stay with the year they occurred, making it easier for the PS&R report (especially during the blend period) to settle the cost report. This means that:

- 1. Claims will be settled on the appropriate cost report;*
- 2. The appropriate PPS-TEFRA blend percentage will be paid;*
- 3. Patients with long lengths of stay will be counted on the correct PS&R report;
and*
- 4. The PRICER version used will be the one in effect at the time the services were provided.*