

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1474</b>	<b>Date: MARCH 7, 2008</b>
	<b>Change Request 5955</b>

**Subject: Changes to the Long Term Care Hospital Prospective Payment System (LTCH PPS) Pricer based on the Medicare, Medicaid and SCHIP Extension Act of 2007 (Recurring CR: R20812Q)**

**I. SUMMARY OF CHANGES:** The Medicare, Medicaid, and SCHIP Extension Act of 2007, enacted on December 29, 2007, postponed implementation of a portion of the Short Stay Outlier (SSO) payment adjustment formula effective upon enactment for a period of 3 years. It also revised the Federal rate for Rate Year (RY) 2008, applicable to discharges occurring on or after April 1, 2008, by providing that the base (that is, Federal) rate for RY 2008 be the same as the base rate for discharges for the hospital occurring during the rate year ending in 2007.

**New / Revised Material**

**Effective Date: April 1, 2008**

**Implementation Date: April 7, 2008**

**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
N/A	

**III. FUNDING:**

**SECTION A:** For Fiscal Intermediaries and Carriers:

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

**SECTION B:** For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted 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.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

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





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