

<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 2066</b>	<b>Date: October 15, 2010</b>
	<b>Change Request 7172</b>

**SUBJECT: Submission of Informational Only Claims by Maryland Waiver Hospitals and Critical Access Hospitals (CAHs) for Electronic Health Records (EHR) Purposes**

**I. SUMMARY OF CHANGES:** The American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5) provides incentive payments for acute care hospitals (subsection (d) hospitals) and critical access hospitals (CAHs) who are meaningful users of certified electronic health records (EHR) technology.

**EFFECTIVE DATE: October 1, 2010**

**IMPLEMENTATION DATE: January 3, 2011**

*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. This table of contents shows the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:**

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	3/Table of Contents
N	3/200/Electronic Health Record (EHR) Incentive Payments
N	3/200.1/Payment Calculation
N	3/200.2/Submission of Informational Only Bills for Maryland Waiver Hospitals and Critical Access Hospitals (CAHs)

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

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

**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:**

**Business Requirements  
Manual Instruction**

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

# Attachment - Business Requirements

<b>Pub. 100-04</b>	<b>Transmittal: 2066</b>	<b>Date: October 15, 2010</b>	<b>Change Request: 7172</b>
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**SUBJECT: Submission of Informational Only Claims by Maryland Waiver Hospitals and Critical Access Hospitals (CAHs) for Electronic Health Records (EHR) Purposes**

**Effective Date: October 1, 2010**

**Implementation Date: January 3, 2011**

## I. GENERAL INFORMATION

- A. Background:** The American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5) provides incentive payments for acute care hospitals (subsection (d) hospitals) and critical access hospitals (CAHs) who are meaningful users of certified electronic health records (EHR) technology.
- B. Policy:** In order for CMS to capture Part C days for purposes of calculating EHR incentive payments for Maryland waiver hospitals and CAHs, providers must submit informational only claims to Medicare, effective for discharge dates on or after October 1, 2010. Informational only claims are billed for patients enrolled in a Medicare Advantage (MA) Plan and contain the following elements:
- Covered 11X TOB (not 110)
  - Condition Code 04
  - List Medicare as the primary payer
  - Do not list Medicare Secondary Payers
  - Beneficiary's Medicare HICN
  - All other required claim elements

**NOTE:** In April 2011, these claims will begin to accumulate on the PS&R report type 118 retroactive to October 1, 2010, so that these hospitals can view their claim submissions.

## II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility										
		A / B M A C	D M E M A C	F I R I E R	C A R I E R	R H H I	Shared-System Maintainers				Other	
		F S S	M C S	V M S	C M W F							
7172.1	Contractors shall accept claims per the new billing instructions for CAHs and MD waiver hospitals for informational-only claims, per Pub. 100-04, Chapter 3, Section 200.2	X		X								

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				Other
							F I S S	M C S	V M S	C W F	
7172.2	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>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 one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. 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>	X		X							

#### IV. SUPPORTING INFORMATION

##### Section A: Recommendations and supporting information associated with listed requirements below:

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

##### Section B: All other recommendations and supporting information: N/A

#### V. CONTACTS

**Pre-Implementation Contact(s):** Cami DiGiacomo; [camidi@cms.hhs.gov](mailto:camidi@cms.hhs.gov)  
 Jason Kerr; [jason.kerr@cms.hhs.gov](mailto:jason.kerr@cms.hhs.gov)

**Post-Implementation Contact(s):** Appropriate Regional Office

#### VI. FUNDING

##### Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *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.

# **Medicare Claims Processing Manual**

## **Chapter 3 - Inpatient Hospital Billing**

### **Table of Contents** *(Rev2066, Issued: 10-15-10)*

#### *200 - Electronic Health Record (EHR) Incentive Payments*

##### *200.1 - Payment Calculation*

##### *200.2 - Submission of Informational Only Bills for Maryland Waiver Hospitals and Critical Access Hospitals (CAHs)*

**200 - Electronic Health Record (EHR) Incentive Payments**  
**(Rev.2066, Issued: 10-15-10, Effective: 10-01-10, Implementation: 01-03-11)**

The American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5) provides incentive payments for acute care hospitals (subsection (d) hospitals) and critical access hospitals (CAHs) who are meaningful users of certified electronic health records (EHR) technology.

**200.1 – Payment Calculation**

**(Rev. 2066, Issued: 10-15-10, Effective: 10-01-10, Implementation: 01-03-11)**

**A - Incentive Payment Calculation for Subsection (d) Hospitals**

*[Initial Amount] x [Medicare Share] x [Transition Factor]*

- **Initial Amount** equals \$2,000,000 + [\$200 per discharge for the 1,150<sup>th</sup> – 23,000<sup>th</sup> discharge]
- **Medicare Share** equals Medicare/(Total\*Charges), whereas:
  - **Medicare** equals [number of Inpatient Bed Days for Part A Beneficiaries] plus [number of Inpatient Bed Days for MA Beneficiaries]
  - **Total** equals [number of Total Inpatient Bed Days]
  - **Charges** equals [Total Charges minus Charges for Charity Care\*] divided by [Total Charges]
- **Transition Factor**

<b>Fiscal Year</b>	<b>Fiscal Year that Eligible Hospital First Receives the Incentive Payment</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>2011</b>	1.00				
<b>2012</b>	0.75	1.00			
<b>2013</b>	0.50	0.75	1.00		
<b>2014</b>	0.25	0.50	0.75	0.75	
<b>2015</b>		0.25	0.50	0.50	0.50
<b>2016</b>			0.25	0.25	0.25

**B – Incentive Payment Calculation for Critical Access Hospitals (CAHs)**

*CAH Reasonable Cost x Medicare Share\**

*\* See Medicare Share computation in sub-section A above.*

## ***200.2 – Submission of Informational Only Bills for Maryland Waiver Hospitals and Critical Access Hospitals (CAHs)***

***(Rev. 2066, Issued: 10-15-10, Effective: 10-01-10, Implementation: 01-03-11)***

*Acute care hospitals already submit informational only bills for purposes of including Part C days in the Disproportionate Share (DSH) calculations, as explained in Section 20.3 above. However, Maryland waiver hospitals and CAHs do not currently submit informational only bills. In order for CMS to capture Part C days for purposes of calculating EHR payments, Maryland waiver hospitals and CAHs must submit informational only claims to Medicare, effective for discharges October 1, 2010. Informational only claims are claims billed for patients enrolled in a Medicare Advantage (MA) Plan and contain a condition the following elements:*

- Covered IIX TOB (not 110)*
- Condition Code 04*
- Medicare is the primary payer*
- There is no MSP*
- Beneficiary's Medicare HICN*
- All other required claim elements*