

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 619

Department of Health & Human Services

Center for Medicare and
&
Medicaid Services

Date: JULY 29, 2005

Change Request 3885

SUBJECT: Late IRF-PAI Data Submission Penalty Protocol Within the Inpatient Rehabilitation Facility Prospective Payment System

I. SUMMARY OF CHANGES: This is a systems change which will allow the fiscal intermediaries to bypass imposing the late IRF-PAI data transmission penalty when CMS or the fiscal intermediary acting on behalf of CMS determines the penalty should be waived.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : January 1, 2006

IMPLEMENTATION DATE : January 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	3/140.3.4/Payment Adjustment for Late Transmission of Patient Assessment Data

III. FUNDING:

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

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

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SUBJECT: Inpatient rehabilitation facility-patient assessment instrument (IRF-PAI) late submission penalty protocol within the inpatient rehabilitation facility prospective payment system (IRF PPS)

I. GENERAL INFORMATION

We are establishing protocol for fiscal intermediaries (FIs) to be able to make payment adjustments with regard to cases in which a late IRF-PAI transmission had been assessed a late penalty.

A. Background: In the August 7, 2001, final rule we established a policy that assessed a late penalty for the late submission of the IRF-PAI. In the August 1, 2003, final rule, a policy was developed which allowed CMS to waive this penalty when CMS deemed extraordinary circumstances inhibited the transmission of the IRF-PAI data within the 28 day (including the date of discharge) time period.

B. Policy: 42 CFR §412.614 (e) states that CMS can determine extraordinary situations where the 25 percent penalty for late IRF-PAI transmission can be waived.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F	R	C	D	Shared System Maintainers				Other
		I	H	a	M	F	M	V	C	
			H	r	E	I	C	M	W	
			I	r	R	S	S	S	F	
				e	C					
				r						
3885.1	FISS shall use the line item override code field for the "IRF-PAI late submission penalty override."					X				
3885.2	FISS shall allow claims with MSP Value Codes (VC 12 VC 13 VC 14 VC 15 VC 16 VC 41 VC 42 VC 43 VC 44 VC 47) to bypass the 25% payment reduction.					X				
3885.3	FISS shall allow claims with User Action Code for "IRF-PAI penalty override" to bypass the 25% payment reduction by resetting the payment modification flag equal to zero for					X				

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R 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		
	Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.								

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*: January 1, 2006</p> <p>Implementation Date: January 3, 2006</p> <p>Pre-Implementation Contact(s): August Nemec 410-786-0612 Sarah Shirey 410-786-0187</p> <p>Post-Implementation Contact(s): August Nemec 410-786-0612 Sarah Shirey 410-786-0187</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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140.3.4 - Payment Adjustment for Late Transmission of Patient Assessment Data *(Rev. 619, Issued: 07-29-05, Effective: 01-01-06, Implementation: 01-03-06)*

In accordance with the regulations, Medicare (Part A fee-for-service) patient assessment data, collected through the inpatient rehabilitation facility patient assessment instrument (IRF-PAI), must be transmitted to the CMS National Assessment Collection Database by the 17th calendar day from the date of the patient's discharge. Under 412.614(d)(2), if the actual transmission date is later than 10 calendar days from the mandated transmission date, the patient assessment data is considered late and the IRF receives a payment rate that is 25 percent less than the payment rate associated with the case-mix group (CMG). Therefore, if the IRF transmits the patient assessment data 28 calendar days or more from the date of discharge, with the discharge date itself starting the counting sequence, the penalty is applied.

A. How the penalty is determined. In accordance with the regulations, inpatient rehabilitation facility-patient assessment instrument (IRF-PAI) data collected on a Medicare Part A fee-for-service inpatient must be transmitted to the CMS National Assessment Collection Database by the 17th calendar day from the date of the inpatient's discharge. Under the IRF prospective payment system regulations, if the actual transmission date is later than 10 calendar days from the mandated transmission date, the IRF-PAI data is considered late and the IRF receives a payment rate that is 25 percent less than the payment rate associated with the case-mix group (CMG). Therefore, if the IRF transmits the patient assessment data 28 calendar days or more from the date of discharge, with the discharge date itself starting the counting sequence, the penalty is applied.

B. Claim coding requirement: When Medicare Part A fee-for-service is the primary payer revenue code line 0024, Field Locator 45 (or electronic equivalent), Service Date, when entered by the provider or CMS adjustment process, will equal the date on which the final assessment was transmitted to the CMS National Assessment Collection Database. This field is mandatory on all discharge IRF PPS claims, whether the IRF-PAI was transmitted late or not. Transmission of the IRF-PAI data record 28 or more calendar days after the discharge date specified on the claim will result in the claim incurring the 25 percent late IRF-PAI data transmission penalty. If the provider does not complete this field accurately and the IRF-PAI data record is transmitted 28 calendar days or more from the date of discharge, CMS will utilize a post-payment review process to identify claims subject to the late penalty and institute an adjustment process to correct payment. Complete details of the CMS post-payment review process will be determined at a later date.

The following modifications were made to the IRF Pricer to account for the payment adjustment:

Under the inputs to Pricer, the "payment modification flag" has been changed to "special payment indicator." This is an alpha-numeric field with valid entries of 0 - 3 currently. The shared systems will set the payment modification flag to:

1 = If the claim has Condition Code 66 entered

2 = If the IRF-PAI data record transmission date present on the revenue code line with 0024 is 28 calendar days or more from the date of discharge on this claim

3 = Both 1 and 2 above apply, or

0 = Default value

Under Pricer outputs, Pricer returns a "penalty amount" field. When applicable, the amount in this field will equal 25 percent of the total payment amount computed by Pricer. The total payment amount field will be then be reduced by the penalty amount so that the final total payment amount output by Pricer will be 75 percent of the total payment amount due the provider.

Return codes 10 - 17 identify claims where there was a penalty and mirror return codes 00 – 07.

C. Waiver of the penalty. Under the regulations CMS may waive the penalty specified above in section A. The following describes when the penalty may be waived:

(1) When CMS or the FI determines that a claim the IRF submitted should not be subject to the payment penalty specified above in section A because CMS or the FI has determined that due to an extraordinary situation the IRF could not comply with the requirement specified above in section A. Only CMS, or the FI acting on behalf of CMS, can determine if a situation encountered by an IRF is extraordinary and qualifies as a situation for waiver of the penalty.

(2) When Medicare Part A fee-for-service is not the primary payer.