

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1883	Date: July 28, 2017
	Change Request 10182

NOTE: This Transmittal is no longer sensitive and is being re-communicated August 11, 2017. The Transmittal Number, date of Transmittal and all other information remain the same. This instruction may now be posted to the Internet.

SUBJECT: System Changes to Implement Section 15009 of the 21st Century Cures Act, Temporary Exception for Certain Spinal Cord Specialty Hospitals under the Long Term Care Hospital (LTCH) Prospective Payment System (PPS)

I. SUMMARY OF CHANGES: This change request implements a temporary exception to the application of the site neutral payment rate under the LTCH PPS for certain spinal cord specialty hospitals.

EFFECTIVE DATE: October 1, 2017

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

IMPLEMENTATION DATE: January 2, 2018

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
N/A	N/A

III. FUNDING:

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:

One Time Notification

Attachment - One-Time Notification

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SUBJECT: System Changes to Implement Section 15009 of the 21st Century Cures Act, Temporary Exception for Certain Spinal Cord Specialty Hospitals under the Long Term Care Hospital (LTCH) Prospective Payment System (PPS)

EFFECTIVE DATE: October 1, 2017

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IMPLEMENTATION DATE: January 2, 2018

I. GENERAL INFORMATION

A. Background: Under the LTCH PPS, for LTCH discharges in cost reporting periods beginning on or after October 1, 2015, Medicare law established two separate payment categories for LTCH patients upon discharge. LTCH cases meeting specific clinical criteria are paid the LTCH PPS standard Federal payment rate and those cases not meeting specific clinical criteria are paid the site neutral payment rate (i.e., the lesser of an “Inpatient Prospective Payment System (IPPS)-comparable” payment amount or 100 percent of the estimated cost of the case).

In general, in order to be paid at the LTCH PPS standard Federal payment rate amount, an LTCH discharge must either: (1) have been admitted directly from a Medicare Subsection (d) Hospital (i.e., in general an IPPS hospital) during which at least 3 days were spent in an intensive care unit (ICU) or coronary care unit (CCU), but the discharge must not have a principal diagnosis in the LTCH of a psychiatric or rehabilitation diagnosis; or (2) have been admitted directly from a subsection (d) hospital (i.e., in general an IPPS hospital) and the LTCH discharge is assigned to an MS- LTC-DRG based on the receipt of ventilator services of at least 96 hours, but must not have a principal diagnosis in the LTCH of a psychiatric or rehabilitation diagnosis.

Section 15009 of the 21st Century Cures Act (Pub. L. 114-255) establishes a temporary exception to the application of the site neutral payment rate under the LTCH PPS for certain spinal cord specialty hospitals, effective for discharges occurring during such LTCHs’ cost reporting periods beginning during FY 2018 (that is, for such LTCHs’ cost reporting periods that begin on or after October 1, 2017 and on or before September 30, 2018) and FY 2019 (that is, for cost reporting period beginning on or after October 1, 2018 and on or before September 30, 2019) as described in greater detail below in section (B) of this CR.

B. Policy: Under the provisions of section 15009 of 21st Century Cures Act, in order for an LTCH to be excluded from the site neutral payment rate under this exception during its FY 2018 and FY 2019 cost reporting period, the LTCH must:

(1) have been a not-for-profit LTCH on June 1, 2014, as determined by cost report data;

(2) of the discharges in calendar year 2013 from the LTCH for which payment was made under the LTCH PPS, at least 50 percent were classified under MS ~~DRGs~~ 28, 29, 52, 57, 551, 573, and 963; and

(3) have discharged inpatients (including both individuals entitled to, or enrolled for, Medicare Part A benefits and individuals not so entitled or enrolled) during FY 2014 who had been admitted from at least 20 of the 50 States, determined by the States of residency of such inpatients and based on such data submitted by the hospital. MACs shall work with hospitals to determine whether this criterion has been met. For

example, a hospital may submit billing information showing that they discharged inpatients from at least 20 states.

Upon request from an LTCH, Medicare Administrative Contractors (MACs) **must verify** that an LTCH described **meets the criteria (1)-(3) above** in order for the LTCH to be eligible for this temporary exception from the site neutral payment rate. This process will require:

- (1) verification of the provider’s non-profit status on June 1, 2014 based on information from the applicable cost report that includes June 1, 2014,
- (2) verification that the LTCH meets the calendar year 2013 discharge requirements via the applicable Medicare claims data, and
- (3) verification of data provided by the LTCH to establish the inpatients’ state of residency requirements for FY 2014 outlined above.

For LTCHs that meet these requirements, the MAC will set the Temporary Relief Indicator field on the provider specific file (PSF) to an ‘S’ to be effective for of the hospital’s FY 2018 and FY 2019 cost reporting periods (that is, the LTCH’s cost reporting period that begins on or after October 1, 2017, and on or before September 30, 2018, and its cost reporting period that begins on or after October 1, 2017, and on or before September 30, 2018). (For example, for a LTCH with a calendar year cost reporting period, an ‘S’ would be entered in the Temporary Relief Indicator field effective for discharges occurring during its cost reporting period beginning on January 1, 2018 and ending on December 31, 2018, and its cost reporting period beginning on January 1, 2019 and ending on December 31, 2019.) . Upon expiration of this temporary statutory provision, the MAC will remove the ‘S’ in the Temporary Relief Indicator field on the PSF to be effective the start of the hospital’s FY 2020 cost reporting period (that is, the LTCH’s cost reporting period that begins on or after October 1, 2019). (For example, a LTCH with a calendar year cost reporting period will no longer be eligible for this adjustment beginning with discharges occurring on or after January 1, 2020.).

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility							
		A/B MAC		D M E	Shared- System Maintainers				Other
		A	B		H H H	M I S S	F M S	V M S	
10182.1	CMS shall add the following definition to the Provider Specific File, data element 17, file position 74, Temporary Relief Indicator: LTCH PPS: Effective the start of the hospital’s FY 2018 cost reporting period through the start of the hospital’s cost reporting period beginning on or after October 1, 2019 (FY 2020), code a ‘S’ for an LTCH that meets the provisions of section 15009 of 21st Century Cures Act.								CMS
10182.2	Medicare contractors shall add ‘S’ as a valid value for the Temporary Relief indicator field on the Inpatient					X			

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
	Provider Specific File for LTCH providers only effective beginning October 01, 2017.										
10182.3	Upon receipt of a request, Medicare contractors shall verify if the LTCH meets the criteria to qualify for the temporary exclusion from the site neutral payment rate according to section B of this document.	X									
10182.3.1	To verify non-profit status, Medicare contractors shall review the hospital's cost report which includes June 1, 2014.	X									
10182.3.2	To verify Medicare discharges, Medicare contractors shall review the hospital's claims which were paid under the LTCH PPS between January 1, 2013 and December 31, 2013 to ensure at least 50 percent of those discharges were in the applicable DRGs.	X									
10182.3.3	To verify the residency requirement, Medicare contractors shall review data from the hospital which satisfies the contractor that the criterion has been met.	X									
10182.4	Medicare contractors shall input an 'S' in the Temporary Relief Indicator field for these LTCHs that meet the criteria described in the policy section of this CR with an effective date of the beginning of the hospital's FY 2018 Cost Reporting Period (that is, the LTCH's cost reporting period that begins on or after October 1, 2017, and on or before September 30, 2018).	X									
10182.5	Medicare Contractors shall remove the 'S' in the Temporary Relief Indicator field for these LTCHs with an effective date of the beginning of the hospital's FY 2020 Cost Reporting Period (that is, the LTCH's cost reporting period that begins on or after October 1, 2019), as described in Section (B) of this CR. .	X									
10182.6	Medicare contractors shall apply review code '00' when the PSF Temporary Relief Indicator for an LTCH equals 'S' on inpatient claims with a through date or discharge date on or after the qualified LTCH's cost reporting period beginning during FY 2018 and FY 2019 (that is, for such LTCHs' cost reporting periods beginning on or after October 1, 2017, and on or before September 30, 2019) and					X					

Number	Requirement	Responsibility							
		A/B MAC		D M E M A C	Shared- System Maintainers				Other
		A	B		H H H	F I S S	M C S	V M S	
	before the start of the qualified LTCH's FY 2020 cost reporting period (that is, the LTCH's cost reporting period that begins on or after October 1, 2019).								
10182.7	Medicare contractors shall reprocess claims with a through date (for interim claims) or a discharge date (for final claims) on or after the beginning of an qualifying LTCH's FY 2018 cost reporting period (that is, for such LTCHs' cost reporting period beginning on or after October 1, 2017), through the implementation of this CR, when the PSF Temporary Relief Indicator for an LTCH equals 'S'.	X							
10182.7.1	Medicare contractors shall reprocess claims within 60 days from the implementation date of this change request.	X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E M A C	C E D I	
		A	B	H H H			
	None						

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

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

V. CONTACTS

Pre-Implementation Contact(s): Emily Lipkin, emily.lipkin@cms.hhs.gov (For policy questions) , Cami DiGiacomo, camidi@cms.hhs.gov (For claims processing questions)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0