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Medicare Claims Processing Manual

Chapter 10 - Home Health Agency Billing

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10 - General Guidelines for Processing Home Health Agency (HHA) Claims

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

This chapter, in general, describes *billing and claims* processing requirements that are applicable only to home health agencies. For general bill processing requirements refer to the appropriate other chapters in the Medicare Claims Processing Manual. For a description of *home health* coverage policies see Chapter 7 in the Medicare Benefit Policy Manual.

A. Where and How to Bill

Institutional providers, including home health agencies, *use one of two institutional claim formats* to bill Medicare. *In the great majority of cases, these providers are required to use the electronic HIPAA standard institutional claim transaction, the 837I. The minority of providers that are eligible for an exception to electronic claim submission use the paper Form CMS-1450, also known as the UB-04.* Such claim forms are submitted to *certain Medicare Administrative Contractors (MACs) with jurisdiction over home health and hospice claims.* Some home health agencies may also become approved as *Durable Medical Equipment (DME)* suppliers, in which case they would submit bills for DMEPOS services to the DME MACs on a professional claim format (the 837P or paper Form CMS-1500).

References to the claim form in this chapter *refer to* the paper Form CMS-1450 (UB-04) unless otherwise noted. However, the instructions regarding specific data requirements apply also to *the electronic 837I.*

B. Services to Include on the Claim for Home Health Benefits

Effective for all services provided on or after October 1, 2000, all services under the home health plan of care, except the following, are included in the home health PPS payment amount. Services that may be included in the plan of care but excluded from the HH prospective payment system (HH PPS) are:

- Osteoporosis drugs (although the cost of administration is within the PPS rate); and
- Durable medical equipment, including prosthetics, orthotics, and oxygen

The DMEPOS services may be included on *type of bill* 32X for the home health benefits, and are paid in addition to the PPS payment. See §20 for additional instructions regarding competitively bid DME. Osteoporosis drugs must be billed on *type of bill* 34X.

Other services not under an HH plan of care provided by an HHA are billed using type of bill 34X. Such services not under a plan of care, and services not part of the home health benefit, are often referred to as “Part B and other health services.” See §90 for guidance

Subsystems, also known as drivers or software applications or modules, have been created for HH PPS for Medicare home health claims processing.

- Grouper determines HHRGs for claims at HHAs by inputting **OASIS** data. (OASIS is the clinical data set that currently must be completed by HHAs for patient assessment.) OASIS software was updated to integrate the Grouper from the advent of HH PPS, and CMS has made Grouper specifications available on its Web site for those designing their own software.
- ELGH is an **inquiry system** in CWF available via Medicare contractor remote access, through which HHAs and other providers can ascertain if a home health episode has already been opened for a given beneficiary by another HHA, and track episodes of beneficiaries for whom they are the primary HHA. *HHAs may also access this information via the HIPAA Eligibility Transaction System or HETS.* Refer to §§30.1 and 30.2 for a detailed description.

Pricer software is used to process all HH PPS claims and is integrated into the Medicare claims processing systems. In addition to pricing HIPPS codes for HHRGs, this software maintains national standard visit rate tables to be used in outlier and LUPA determinations. Refer to §70 for a detailed description of the Pricer software.

10.1.4 - The HH PPS Episode - Unit of Payment

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The episode is the unit of payment for HH PPS. The episode payment is specific to one individual homebound beneficiary. It pays all Medicare covered home care that is reasonable and necessary for the patient's care, including routine and nonroutine supplies used by that beneficiary during the episode. It is the only Medicare form of payment for such services, with the exceptions described in §10.B.

See §40 for details on billing these services. The cost of routine supplies has been included in the calculation of the episode payments.

10.1.5.1 - More Than One Agency Furnished Home Health Services

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The primary agency bills for all services furnished by both agencies and keeps all records pertaining to the care and other HHAs serving the same beneficiary during the episode. Nonprimary HHAs can receive payment under arrangement only from the primary HHA for services on the plan of care where prior arrangement exists. The primary agency's status as primary is established through the submission, *receipt and processing* of a Request for Anticipated Payment (RAP) *for the first episode of home health care for the beneficiary.* The secondary agency is paid through the primary agency under mutually

agreed upon arrangements between the two agencies existing before the delivery of services for services called for under the plan of care.

Two agencies must never bill as primary for the same beneficiary for the same episode of care. When the Common Working File (CWF) indicates an episode of care is open for a beneficiary, the Medicare contractor returns to the provider the RAP of any other agency billing within the episode unless the RAP indicates a transfer or discharge and readmission situation exists.

In order to ensure that other providers who may intend to provide HH services to a beneficiary have the benefit of the most current information via the CWF, CMS encourages primary HHAs to submit their RAPs as promptly as possible.

In rare cases, a Medicare beneficiary may receive an organ transplant and the organ donor's post-operative services are covered by the Medicare program. Since the donor is frequently not a Medicare beneficiary, services for the donor are billed using the Medicare beneficiary's Medicare number. If both the organ recipient and organ donor are receiving post-operative home health services, CWF cannot process HH PPS episodes for both patients for the same dates of service. In this case, the HH episode for the organ recipient is accepted by CWF. The HH episode for the donor is processed by the Medicare contractor outside CWF.

10.1.5.2 - Effect of Election of Medicare Advantage (MA) Organization and Eligibility Changes on HH PPS Episodes

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

If a Medicare beneficiary is covered under an MA organization during a period of home care, and subsequently decides to change to Medicare fee-for-service coverage, a new OASIS assessment must be completed, as is required any time the Medicare payment source changes. With that assessment, an RAP may be sent to Medicare to open an HH PPS episode.

If a beneficiary under fee-for-service receiving home care elects MA organization during an HH PPS episode, the episode will end and be proportionally paid according to its shortened length (a partial episode payment (PEP) adjustment). The MA organization becomes the primary payer upon the MA organization enrollment date. Other changes in eligibility affecting fee-for-service status should be handled in a similar manner.

For additional information about MA eligibility changes, see section 80.

10.1.8 - Coding of HH PPS Episode Case-Mix Groups on HH PPS Claims: *HHRGs* and *HIPPS* Codes

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Under the home health prospective payment system, a case-mix adjusted payment for a 60-day episode is made using one of *153* HHRGs. On Medicare claims, these HHRGs are represented as Health Insurance Prospective Payment System (HIPPS) codes. HIPPS codes allow the HHRG code to be carried more efficiently and include additional information *necessary for non-routine supply payments*.

HIPPS code rates represent specific characteristics (or case-mix) on which Medicare payment determinations are made. These payment codes represent case-mix groups based on research into utilization patterns among providers. HIPPS codes are used in association with special revenue codes used on institutional claims submitted to Medicare contractors. One revenue code is defined for every Medicare prospective payment system that uses HIPPS codes. HIPPS codes are placed in HCPCS/Accommodation Rates/HIPPS Rate Codes field of the claim. The associated revenue code is placed in the Revenue Codes field.

10.1.9 - Composition of HIPPS Codes for HH PPS

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

For HH PPS episodes beginning on and after January 1, 2008, the distinct 5-position, alphanumeric home health HIPPS codes *are* created as follows:

- The first position is no longer a fixed value. The refined HH PPS uses a four-equation case-mix model which assigns differing scores in the clinical, functional and service domains based on whether an episode is an early or later episode in a sequence of adjacent covered episodes. To reflect this, the first position in the HIPPS code is a numeric value that represents the grouping step that applies to the three domain scores that follow.
- The second, third, and fourth positions of the code remain a one-to-one crosswalk to the three domains of the HHRG coding system.
- The fifth position indicates a severity group for non-routine supplies (NRS). The HH PPS grouper software will assign each episode into one of 6 NRS severity levels and create the fifth position of the HIPPS code with the values S through X. If the HHA is aware that supplies were not provided during an episode, they must change this code to the corresponding number 1 through 6 before submitting the claim.

Note the second through fourth positions of the HH PPS HIPPS code will allow only alphabetical characters.

	Position #1	Position #2	Position #3	Position #4	Position #5		
	Grouping Step	Clinical Domain	Functional Domain	Service Domain	Supply Group – supplies provided	Supply Group – supplies not provided	Domain Levels
Early Episodes (1st & 2nd)	1 (0-13 Visits)	A (HHRG: C1)	F (HHRG: F1)	K (HHRG: S1)	S (Severity Level: 1)	1 (Severity Level: 1)	= min
	2 (14-19 Visits)	B (HHRG: C2)	G (HHRG: F2)	L (HHRG: S2)	T (Severity Level: 2)	2 (Severity Level: 2)	= low
Late Episodes (3rd & later)	3 (0-13 visits)	C (HHRG: C3)	H (HHRG: F3)	M (HHRG: S3)	U (Severity Level: 3)	3 (Severity Level: 3)	= mod
	4 (14-19 Visits)			N (HHRG: S4)	V (Severity Level: 4)	4 (Severity Level: 4)	= high
Early or Late Episodes	5 (20 + Visits)			P (HHRG: S5)	W (Severity Level: 5)	5 (Severity Level: 5)	= max
					X (Severity Level: 6)	6 (Severity Level: 6)	
	6 thru 0	D thru E	I thru J	Q thru R	Y thru Z	7 thru 0	Expansion values for future use

Examples:

- First episode, 10 therapy visits, with lowest scores in the clinical, functional and service domains and lowest supply severity level and non-routine supplies were not provided = HIPPS code 1AFK1
- Third episode, 16 therapy visits, moderate scores in the clinical, functional and service domains and supply severity level 4 = HIPPS code 4CHLV
- Third episode, 22 therapy visits, clinical domain score is low, function domain score is moderate, service domain score for all episodes over 20 therapies is the same (minimum) and supply severity level 6 = HIPPS code 5BHKX

Based on this coding structure:

- 153 case-mix groups defined in the 2007 HH PPS final rule are represented by the first four positions of the code.
- Each of these case-mix groups can be combined with any NRS severity level, resulting in 1836 HIPPS codes in all (i.e., 153 case-mix groups times 12 NRS codes (two each per NRS severity level)).
- Each HIPPS code will represent a distinct payment amount, without any duplication of payment weights across codes.
- HIPPS codes created using this structure are valid only on claim lines with revenue code 0023.

10.1.10.3 - Submission of Request for Anticipated Payment (RAP) **(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)**

The HHA can submit a Request for Anticipated Payment, or RAP, to Medicare when all of the four following conditions are met.

- After the OASIS assessment is complete, locked or export ready, or there is an agency-wide internal policy establishing the OASIS data is finalized for transmission to the State;
- Once a physician's verbal orders for home care have been received and documented;
- A plan of care has been established and sent to the physician; and
- The first service visit under that plan has been delivered.

An episode will be opened on CWF with the receipt and processing of the RAP. RAPs, or in special cases claims, must be submitted for initial HH PPS episodes, subsequent HH PPS episodes, or in transfer situations to start a new HH PPS episode when another episode is already open at a different agency. HHAs should submit the RAP as soon as possible after care begins in order to assure being established as the primary HHA for the beneficiary.

RAPs are submitted using Type of Bill 322. RAPs must include the information output by Grouper for HH PPS in addition to other claim elements. While Medicare requires very limited information on RAPs (RAPs do not require charges for Medicare), HHAs have the option of reporting service lines in addition to the Medicare requirements, either to meet the requirements of other payers, or to generate a charge for billing software. In the latter case, HHAs may report a single service line showing an amount equal to the expected payment amount to aid balancing in accounts receivable systems. Medicare will not use charges on a RAP to determine payment or for later data collection.

The HH Pricer software will determine the first of the two HH PPS split percentage payments for the episode, which is made in response to the RAP.

10.1.10.4 - Claim Submission and Processing

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The remaining split percentage payment due to an HHA for an episode will be made based on a claim submitted at the end of the 60-day period, or after the patient is discharged, whichever is earlier. HHAs may not submit this claim until after all services are provided for the episode and the physician has signed the plan of care and any subsequent verbal order. Signed orders are required every time a claim is submitted, no matter what payment adjustment may apply.

HH claims must be submitted with type of bill (TOB) 329. The HH PPS claim will include elements submitted on the RAP, and all other line item detail for the episode. At a provider's option, any durable medical equipment, oxygen or prosthetics, and orthotics provided may also be billed on HH PPS claim, and this equipment will be paid in addition to the episode payment.

However, osteoporosis drugs must be billed separately on 34X claims, even when an episode is open. Pricer will determine claim payment as well as RAP payment for all PPS supplies and services on TOB 32X (or 33X) claims. Payment for bill type 34X is dependent upon the Part B methodology used for the service, as defined by the HCPCS code.

An HH PPS claim with TOB 329 is processed in Medicare claims processing systems as a debit/credit adjustment against the record created by the RAP. The related remittance advice will show the RAP payment was recouped in full and a 100 percent payment for the episode was made on the claim, resulting in a net remittance of the balance due for the episode.

Claims for episodes may span calendar and fiscal years. The RAP payment in one calendar or fiscal year is recouped and the 100 percent payment is made in the next calendar or fiscal year, at that year's rates, since claim payment rates are determined using the *Statement Covers Period "Through"* date on the claim, for all services in the episode.

Once the final payment for an episode is calculated, Medicare claims processing systems will determine whether the claim should be paid from the Medicare Part A or Part B trust fund. This A-B shift determination will be made only on claims, not on RAPs. HHA payment amounts are not affected by this process. Value codes for A and B visits (value codes 62 and 63) and dollar amounts (64 and 65) may be visible to HHAs on electronic claim remittance records, but providers do not submit these value codes or determine to distinguish Part A or Part B visits.

10.1.13 - Transfer Situation - Payment Effects

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Transfer describes when a single beneficiary chooses to change HHAs during the same 60-day period. By law under the HH PPS system, beneficiaries must be able to transfer among HHAs, and episode payments must be pro-rated to reflect these changes. To accommodate this requirement, HHAs submit a RAP with a transfer indicator in the condition code field on the institutional claim when an episode may already be open for the same beneficiary at another HHA. In order for a receiving (new) HHA to accept a beneficiary elected transfer, the receiving HHA must document that the beneficiary has been informed that the initial HHA will no longer receive Medicare payment on behalf of the patient and will no longer provide Medicare covered services to the patient after the date of the patient's elected transfer in accordance with current patient rights requirements at 42 CFR 484.10(e). The receiving HHA must also document in its records that it accessed the Medicare inquiry system to determine whether or not the patient was under an established home health plan of care and contacted the initial HHA on the effective date of transfer.

In such cases, the previously open episode will be automatically closed in Medicare claims processing systems as of the date services began at the HHA the beneficiary transferred to, as reported in the RAP; and the new episode for the "transfer to" agency will begin on that same date. Payment will be pro-rated for the shortened episode of the "transferred from" agency, adjusted to a period less than 60 days either according to the claim closing the episode from that agency or according to the RAP from the "transfer to" agency. Note that HHAs may not submit RAPs opening episodes when anticipating a transfer if actual services have yet to be delivered.

In rare cases, a beneficiary may elect to transfer between HHAs and their admission date at the "transfer to" HHA may fall on the day immediately following the end of an episode at the "transferred from" agency. The "transferred from" agency may not have

submitted a RAP for the new episode of continuous care, so the “transfer to” HHA may not see a record of an open episode when they access the Medicare inquiry system. They will likely see the record of the immediately adjacent episode and should provide the same notifications to the beneficiary as in any other transfer situation. Documentation of these notifications may be needed if the transfer is disputed and verification is required as described in the Medicare Benefit Policy Manual, chapter 7, section 10.8.E.

10.1.14 - Discharge and Readmission Situation Under HH PPS - Payment Effects

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Under HH PPS, HHAs may discharge beneficiaries before the 60-day episode has closed if all treatment goals of the plan of care have been met, or if the beneficiary ends care by transferring to another home health agency. Cases may occur in which an HHA has discharged a beneficiary during a 60-day episode, but the beneficiary is readmitted to the same agency in the same 60 days. Since no portion of the 60-day episode can be paid twice, the payment for the first episode must be pro-rated to reflect the shortened period (see §10.1.15). A new episode can be opened by the HHA. Medicare systems will allow this in cases where the CMS certification number (CCN) on the new RAP matches the CCN on the prior episode. The next episode will begin the date the first service is supplied under readmission (setting a new 60-day “clock”).

Note that beneficiaries do not have to be discharged within the episode period because of admissions to other types of health care providers (i.e., hospitals, skilled nursing facilities), but HHAs may choose to discharge in such cases. *If an agency chooses not to discharge and the patient returns to the agency in the same 60-day period, the same episode continues. However, if an agency chooses to discharge, based on an expectation that the beneficiary will not return, the agency should recognize that if the beneficiary does return to them in the same 60-day period, the discharge is not recognized for Medicare payment purposes. All the HH services provided in the complete 60-day episode, both before and after the inpatient stay, should be billed on one claim.*

When discharging, full episode payment would still be made unless the beneficiary received more home care later in the same 60-day period. Discharge should be made at the end of the 60-day episode period in all cases if the beneficiary has not returned to the HHA, and is not expected to return for treatment under any existing plan of care.

10.1.19.1 - Adjustments of Episode Payment - Therapy *Thresholds*

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The number of therapy visits projected on the OASIS assessment at the start of the episode, entered in OASIS, will be confirmed by the visit information submitted in line-item detail on the claim for the episode.

The HH PPS adjusts Medicare payment based on whether one of three therapy thresholds (6, 14 or 20 visits) is met. As a result of these multiple thresholds, meeting a threshold can change the payment equation that applies to a particular episode. Also, additional therapy visits may change the score in the service domain of the HIPPS code.

Due to *the* complexity of the payment system regarding therapies, the Pricer software in Medicare's claims processing system will recode all claims based on the actual number of therapy services provided. This recoding will be performed without regard to whether the number of therapies delivered increased or decreased compared to the number of expected therapies reported on the OASIS assessment and used to base RAP payment.

Since the number of therapy visits provided can change the payment equation used under the refined four-equation case mix model, in some cases this recoding may change several positions of the HIPPS code. In these cases, values in the treatment authorization code submitted on the claim will be used to determine the new code. Tables demonstrating how values in the treatment authorization code are converted into new HIPPS code values are included in section 70.4 below.

The electronic remittance advice will show both the HIPPS code submitted on the claim and the HIPPS code that was used for payment, so adjustments can be clearly identified.

10.1.19.2 - Adjustments of Episode Payment – Early or Later Episodes **(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)**

The HH PPS uses a 4-equation case-mix model that recognizes and differentiates payment for episodes of care based on whether a patient is in what is considered to be an early *episode of care* (1st or 2nd episode in a sequence of adjacent covered episodes) or a later *episode of care* (the 3rd episode and beyond in a sequence of adjacent covered episodes).

Early episodes include not only the initial episode in a sequence of adjacent covered episodes, but also the next adjacent covered episode, if any, that followed the initial episode. Later episodes are defined as all adjacent episodes beyond the second episode. Episodes are considered to be adjacent if they are separated by no more than a 60-day period between claims.

Any Medicare fee-for-service covered episode for a beneficiary is considered in determining adjacent covered episodes. A sequence of adjacent covered episodes is not interrupted if a beneficiary transfers between HHAs. Episodes covered by Medicare Advantage plans are not considered in determining adjacent episodes.

Example: A patient is admitted to Agency A on July 5th into a payment episode that ends on the date of Sept 2nd. The patient is then recertified on Sept 3rd, with an end of episode date of November 1st. Agency B admits on Jan 1.

When determining if two eligible episodes are adjacent, the HHA should count the number of days from the last day of one episode until the first day of the next episode. Adjacent episodes are defined as those where the number of days from the last day of one episode until the first day of the next episode is not greater than 60. The first day after the last day of an episode is counted as day 1. Continue counting to, and including, the first day of the next episode.

In this example, November 1st was the last day of the episode and January 1 is the first day of the next episode. When counting the number of days from the last day of one episode (Nov 1st), November 2nd would be day 1, and Jan 1 would be day 61. Since the number of days from the end of one episode to the start of the next is more than 60 days, these two episodes are not adjacent.

The episode starting January 1st would be reported by Agency B as “early”. December 31 represents day 60 in this example. If the next episode started December 31 instead of January 1, that episode would be considered adjacent since the number of days counted is not greater than 60. The episode starting December 31 would be reported by Agency B as “later.” All other episodes beginning between November 2 and December 31 in this example would also be reported as “later.”

HHAs report whether an episode is “early” or “later” using OASIS item M0110. This OASIS information is then used to determine the HIPPS code used for billing. The first position of the HIPPS code shows whether an episode is “early” or “later.” Since HHAs may not always have complete information about previous episodes, the HIPPS code is validated by Medicare systems. The Common Working File reads the episode history described in section 30.5 to determine whether an episode has been coded correctly based on the most current information available to Medicare. If the HIPPS code disagrees with Medicare’s episode history, the claim will be recoded.

The receipt of any episode may change the sequence of previously paid claims. For instance, a claim may be paid as “early” because the HHA was not aware of prior episodes and the previous HHA had not billed for the prior episodes. When the earlier dated episodes are received, Medicare systems will initiate an automatic adjustment to recode the previously paid claim and correct its payment.

When claims are recoded, values in the treatment authorization code submitted on the claim will be used to determine the new code. Tables demonstrating how values in the treatment authorization code are converted into new HIPPS code values are included in section 70.4 below.

10.1.20 - *RESERVED*

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

10.1.22 – *Multiple Adjustments to Episode Payments*

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Episode payment adjustments as described above apply only to claims, not to requests for anticipated payment (RAPs). Episode claims that are paid on a per-visit or LUPA basis are not subject to therapy threshold or PEP adjustment. LUPA episodes also will not receive outlier payments. For other HH PPS claims, multiple adjustments may apply on the same claim, though some combinations of adjustments are unlikely. All claims except LUPA claims will be considered for outlier payment. Payment adjustments are calculated in Pricer software (see section 70).

10.1.23 - *RESERVED*

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

10.1.24 - Glossary and Acronym List

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Admission Date - For HH PPS, *the* date of *the* first service *delivered by the HHA in an episode or a series of continuous episodes*. *It is* placed in the Admission/Start of Care Date field on the institutional claim.

Claim – *The* second of two transactions *submitted for a* HH PPS episode to receive *the second* split percentage payment *for the episode*.

CMS - The Center for Medicare & Medicaid Services, the Federal Agency administering the Medicare program.

DME - Durable Medical Equipment.

DME- MAC - DME Medicare Administrative Contractor - 4 Medicare contractors nationally processing DME on professional claim formats.

DMEPOS - *Durable Medical Equipment, Prosthetics, Orthotics and Supplies.*

Episode – *The* unit of payment for HH PPS, *covering up to 60 days of HH services*.

Grouper - A software module that “groups” information for payment classification. *For* HH PPS, data from the OASIS assessment tool is grouped to form HHRGs and *corresponding* HIPPS codes. Specifications for the HH PPS Grouper are posted on the CMS Web site. *The* Grouper module is also built into PPS-compatible versions of HAVEN software.

HAVEN -- *Publicly available software that automates the entry and transmission of OASIS assessment information.*

HCPCS Code(s) - Healthcare Common Procedure Coding System. Coding for services or items used in the HCPCS/Accommodation Rates/HIPPS Rate Codes field on institutional claim formats. A list of HCPCS is accessible on the CMS Web site.

HH - Home Health

HHA(s) - Home Health Agency(ies)

HRG - Home Health Resource Group. One of the *case-mix groups that determine HH PPS* episode payment rates.

HIPPS - Health Insurance Prospective Payment System. Coding used in the HCPCS/Accommodation Rates/HIPPS Rate Codes field on institutional claim formats *to represent case-mix groups in* certain CMS prospective payment systems.

Inquiry System (ELGH) - An online transaction providing information on HH PPS episodes for specific Medicare beneficiaries. This system is based on batch claim data available in the Common Working File, a component of Medicare claims processing systems, *and is* available to providers via their Medicare contractor.

LUPA - Low Utilization Payment Adjustment. An episode of 4 or less visits paid by national standardized per visit rates instead of *by the HH PPS case-mix system*.

MAC – Medicare Administrative Contractor, *one of the contractors to CMS that processes Medicare claims*.

National Standard Per Visit Rates - National rates for each 6 home health disciplines based on historical claims data. *These rates are used* in payment of LUPAs and calculation of outliers.

No-RAP LUPAs - A billing scenario in which only a claim, not a RAP, is submitted for an episode by an HHA because the HHA is aware from the outset that the episode will be four visits or less.

NRS – Non-Routine Supplies

OASIS - Outcome *and* Assessment Information Set. The HH *patient* assessment instrument required by CMS.

Outlier - An addition to a full episode payment in cases where costs of services delivered are estimated to exceed a fixed loss threshold. Pricer computes HH PPS outliers as part of Medicare claims payment for all non-LUPA episodes.

Patient Status Code – a code in the Patient Discharge Status field on institutional claims which describes patient status at discharge *or the end of the billing period*.

PEP - Partial Episode Payment (adjustment). A reduced episode payment that may be made based on the number of service days in an episode (always less than 60 days, employed in cases of transfers or discharges with readmissions).

PPS - Prospective Payment System. Medicare payment for medical care based on pre-determined payment rates or periods, linked to the anticipated intensity of services delivered and/or beneficiary condition.

Pricer - Software modules in Medicare claims processing systems *used to calculate payments* under prospective payment systems.

RAP - Request for Anticipated Payment. First of two transactions *submitted for a HH PPS episode to receive the first split percentage payment for the episode.*

Revenue Code - Four position payment codes for services or items placed in the Revenue Codes field on institutional claim formats. An “x” in the last digit of revenue codes means that value can vary from 0-9.

TOB - Type of Bill (e.g., 32X, 34X). Coding representing the nature of each institutional claim (i.e., type of *provider, such as home health*; payment source, such as specific Medicare trust fund; and frequency of bill) - an “x” in the last digit of numeric three digit TOB means that value can be from 0-9.

30.1 - Health Insurance Eligibility Query to Determine Episode Status **(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)**

Under the HH PPS and home health consolidated billing (described elsewhere in this chapter), one HHA is considered the “primary” home health agency in billing situations. This primary agency is the only agency that may bill Medicare for home care for a given homebound beneficiary at a specific time. When a homebound beneficiary seeks care from an HHA or from an institutional therapy provider subject to home health consolidated billing, the provider needs to determine if the beneficiary is already being served by an HHA - an agency that then would be considered primary.

Providers may send an inquiry to determine the beneficiary’s entitlement and eligibility status into the Common Working File or CWF, through their Medicare contractor. They must send the ANSI X12N 270 transaction set and will receive the ANSI X12N 271 transaction set in response, in order to comply with the requirements of the Health Insurance Portability and Accountability Act.

Medicare contractors processing institutional claims will create an ELGH record from the 270 to request this data from CWF and will receive the ELGA record from CWF in response. The Medicare contractor will create the 271 response or DDE screen from the ELGA transaction record.

The response shows whether or not the beneficiary is currently in a home health episode of care. If the beneficiary is not already under care at another HHA, he/she can be admitted to the inquiring HHA, and that agency will become primary. The beneficiary can also be admitted even if an episode is already open at another HHA if the beneficiary has chosen to transfer.

See Chapter 31 for a description of the data elements and related requirements.

30.5 - National Home Health Prospective Payment Episode History File **(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)**

CWF maintains a national episode history file for each beneficiary in order to enforce consolidated billing and perform HH PPS processing. Only Medicare contractors, not providers, may view this file.

The episode file, populated as soon as the first HH PPS episode is opened for a beneficiary with either a RAP or a claim, contains:

- The beneficiary's Health Insurance Claim Number (HICN);
- The pertinent Contractor and Provider Numbers;
- Period Start and End Dates - the start date is received on an RAP or claim, and the end date is initially calculated to be the 60th day after the start date, changed as necessary when the claim for the episode is finalized;
- *Date of Earliest Billing Activity (DOEBA) and Date of Latest Billing Activity (DOLBA) – line item dates of service of the first and last HH visits reported on the final claim for the episode;*
- Patient Status Indicator - the patient discharge status code on an HH PPS claim, indicating the status of the HH patient at the end of the episode. This indicator will also be populated by RAPs, but the value will always be “30”;
- Transfer/Readmit Indicator – code values in this field indicate the reason this episode record was allowed to overlap the 60-day period of the previous episode:

‘B’ indicates the episode record was a transfer from another HHA (i.e., condition code 47 was on the RAP or claim;

‘C’ indicates the episode record was a discharge and admission from the same HHA (i.e., CCNs on the two episodes are the same).

This transfer/readmit indicator is present on the internal episode file used in CWF editing but it is not displayed on the episode history screen. If contractors need to validate this data, they must research the claim record on CWF history.

- The HIPPS *Code – the code* representing the basis of payment for episodes other than those receiving a low utilization payment adjustment (LUPA);
- *Principal* Diagnosis Code and First Other Diagnosis Code – *diagnosis codes reported on* the RAP or claim;
- A LUPA Indicator - received from the shared system indicating whether or not there was a LUPA episode; and
- A RAP Cancellation Indicator - showing whether or not a RAP has been auto-canceled for this episode because a claim was not received in required time frames: in such cases, distinguished by the internally used cancel only code “B,” this indicator is a value of “1.” For episodes beginning on or after January 1, 2008, this indicator is also used when a final claim has been denied as fully non-covered by medical review. In these cases, the indicator is a value of “2.” In all other cases, the value is “0.”

The episode file contains the 36 most recent episodes for any beneficiary. Episodes that precede the most recent 36 will be dropped off the file and will not be retrievable online. The date of accretion, meaning dates on which episode records are created or updated, for an episode is the date the RAP or claim is accepted or applied.

30.6 - Opening and Length of HH PPS Episodes

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Within CWF, the episode history auxiliary file is separate from the home health benefit period auxiliary file, which existed prior to HH PPS. All HH PPS claims will update both these files. In most cases, receipt *and processing* of a RAP will open an HH PPS episode in an episode file, even if the RAP or claim has zero payment.

Note that claims will open episodes in only one special circumstance. This is when a provider knows from the outset that it will provide four or fewer visits for the entire episode, which always results in a LUPA; and therefore decides to forego the RAP so as to avoid recoupment of the difference of the large initial percentage episode payment and LUPA visit-based payment. This particular billing situation exception is referred to as a No-RAP LUPA.

Multiple episodes can be open for the same beneficiary at the same time. The same HHA may require multiple episodes be opened for the same beneficiary because of an unexpected readmission after discharge, or if for some reason a subsequent episode RAP is received prior to the claim for the previous episode. Multiple episodes may also occur between different providers if a transfer situation exists. CWF will post RAPs received

with appropriate transfer and readmit indicators to facilitate the creation of multiple episodes.

Same day transfers are permitted, such that an episode for one agency, based on the claim submitted by that agency, can end on the same date as an episode was opened by another agency for the same beneficiary. *Both HHA's services for this date will be approved for payment, without regard for whether the same HH disciplines (e.g. skilled nursing, physical therapy, etc.) from both HHAs provided services.*

When episodes are created from RAPs, CWF calculates a period end date that does not exceed the start date plus 59 days. CWF will assure no episode exceeds this length under any circumstance, and will auto-adjust the period end date to shorten the episode if needed based on activity at the end of the episode (i.e., shortened by transfer).

30.7 - Closing, Adjusting and Prioritizing HH PPS Episodes Based on RAPs and HHA Claim Activity

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Medicare contractors that process HH claims reject RAPs and claims with statement dates overlapping existing episodes unless a transfer or discharge and readmit situation is indicated. These contractors also reject claims in which the dates of the *covered* visits reported for the episode do not fall within the episode period established by the same agency.

Episode lengths are shortened when another RAP or claim indicating transfer *or discharge/readmission* is received. The episode defaults to the day of the first date of service of the new RAP or claim. If a full episode payment has been made for the now shortened episode, the contractor will adjust the episode to reflect a PEP payment. Any line items that fall after the beginning of the new episode are then noncovered.

If a RAP or claim is canceled by an HHA, CWF cancels the episode. If a RAP *is canceled and* payment is recouped and the RAP when a corresponding final bill has not been received, the episode remains open at CWF.

30.8 - Other Editing and Changes for HH PPS Episodes

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

CWF assures that the final "through date" on the episode claim equals the calculated period end date for the episode if the patient status code for the claim indicates the beneficiary remains in the care of the same HHA (patient status code 30). If the patient dies, represented with a patient status code of 20, the episode does not receive a PEP adjustment, though other adjustments may apply, but the through date on the claim indicates the date of death instead of the end of the episode period. When the patient status of a claim is 06, indicating transfer, the episode period end date is adjusted to reflect the "through date" of that claim, and payment is also adjusted. When the status of the claim is 01, no change is made in the episode length or claims payment unless a

separate RAP or claim is received which overlaps that 60-day period and contains either a transfer or discharge and readmit indicator.

CWF also acts on *condition codes* on RAPs. For example, CWF acts on condition code 47, indicating transfer *to another HHA* in the same 60-day period, *and opens a new episode. CWF will also open a new episode when the CMS certification number (CCN) for the provider on the incoming RAP matches the CCN on the episode the RAP overlaps. This indicates a discharge and readmission situation.*

CWF recognizes internal action codes, generated by the Medicare claims processing systems, and cancel-only codes, assigned by CMS, that have been assigned to specific HH PPS transactions and situations to aid in processing these claims.

30.9 - Coordination of HH PPS Claims Episodes With Inpatient Claim Types

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Claims for institutional inpatient services, that is inpatient hospital and skilled nursing facility (SNF) services, will continue to have priority over claims for home health services under HH PPS. Beneficiaries cannot be institutionalized and receive home care simultaneously. Thus, if an HH PPS claim is received, and CWF finds dates of service on the HH claims that fall within the dates of an inpatient or SNF claim (not including the dates of admission and discharge), Medicare systems will reject the HH claim. This would still be the case even if the HH PPS claim were received first and the SNF or inpatient hospital claims came in later, but contained dates of service duplicating dates of service within the HH PPS episode period.

30.11 - Exhibit: Chart Summarizing the Effects of RAP/Claim Actions on the HH PPS Episode File

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The following chart summarizes basic effects of HH PPS claims processing on the episode record:

Transaction	How CWF Is Impacted	How Other Providers Are Impacted
Initial RAP	<ul style="list-style-type: none"> • Opens an episode record using RAP's "from" date <i>to set Period Start Date</i> • <i>Period End Date</i> is automatically calculated to extend through 60th day • <i>DOEBA and DOLBA are left blank</i> 	<ul style="list-style-type: none"> • Other RAPs submitted during this open episode will be rejected unless an indicator of a transfer or discharge/readmission is present • No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present
Subsequent	<ul style="list-style-type: none"> • Opens another subsequent 	<ul style="list-style-type: none"> • Other RAPs submitted during this open

Transaction	How CWF Is Impacted	How Other Providers Are Impacted
Episode RAP	<ul style="list-style-type: none"> episode using RAP's "from" date <i>to set Period Start Date</i> <i>Period End Date</i> is automatically calculated to extend through next 60 days <i>DOEBA and DOLBA are left blank</i> 	<ul style="list-style-type: none"> episode will be rejected unless an indicator of a transfer or discharge/readmission is present No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present
Initial RAP with condition code 47	<ul style="list-style-type: none"> Opens an episode record using RAP's "from" date <i>to set Period Start Date</i> <i>Period End Date</i> is automatically calculated to extend through 60th day <i>DOEBA and DOLBA are left blank</i> <i>Changes the Period End Date of the prior episode to be the day before the RAP's "from" date.</i> 	<ul style="list-style-type: none"> The Period End Date on the RAP of the HHA the beneficiary is transferring from is automatically changed to reflect the "from" date on the RAP submitted by the HHA the beneficiary is transferring to. The HHA the beneficiary is transferring from cannot bill for services past the date of transfer. Another HHA cannot bill during this episode unless another transfer situation occurs
RAP Cancellation by Provider or Contractor	<ul style="list-style-type: none"> The episode record is deleted from CWF 	<ul style="list-style-type: none"> No episode <i>record is present</i> to prevent RAP submission or No-RAP LUPA claim submission <i>by another provider, making that provider the primary HHA for the dates of the episode</i>
RAP Cancellation by System	<ul style="list-style-type: none"> The episode record remains open on CWF 	<ul style="list-style-type: none"> Other RAPs submitted during this open episode will be rejected unless an indicator of a transfer or discharge/readmission is present No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present <i>In order to receive payment for this episode, the original RAP must be resubmitted before the final claim is submitted</i> To correct information on this RAP, the original RAP must be cancelled by the HHA and then re-submitted once more with the correct information
Claim (full episode)	<ul style="list-style-type: none"> 60-day episode record <i>is</i> completed; 	<ul style="list-style-type: none"> Other RAPs submitted during this open episode will be rejected unless an

Transaction	How CWF Is Impacted	How Other Providers Are Impacted
	<ul style="list-style-type: none"> • <i>Period End Date</i> remains at the 60th day • <i>DOEBA is updated to reflect first visit date in episode</i> • <i>DOLBA is updated to reflect last visit date in episode</i> 	<p>indicator of a transfer or discharge/readmission is present</p> <ul style="list-style-type: none"> • No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present
Claim (discharge with goals met prior to Day 60)	<ul style="list-style-type: none"> • Episode record completed • <i>Period End Date</i> remains at the 60th day; • <i>DOEBA is updated to reflect first visit date in episode</i> • <i>DOLBA is updated to reflect last visit date in episode</i> 	<ul style="list-style-type: none"> • Other RAPs submitted during this open episode will be rejected unless an indicator of a transfer or discharge/readmission is present • No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present
Claim (transfer)	<ul style="list-style-type: none"> • Episode <i>record</i> completed • <i>Period End Date</i> reflects claim “Through” date; • <i>DOEBA is updated to reflect first visit date in episode</i> • <i>DOLBA is updated to reflect last visit date in episode</i> 	<ul style="list-style-type: none"> • A RAP or No-RAP LUPA claim will be accepted if the “from” date is on or after episode “through” date
No-RAP LUPA Claim	<ul style="list-style-type: none"> • Opens an episode record using claim’s “from” date <i>to set Period Start Date</i> • <i>Period End Date</i> is automatically calculated to extend through 60th day • <i>DOEBA is updated to reflect first visit date in episode</i> • <i>DOLBA is updated to reflect last visit date in episode</i> 	<ul style="list-style-type: none"> • Other RAPs submitted during this open episode will be rejected unless an indicator of a transfer or discharge/readmission is present • Other No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present • Because a RAP is not submitted in this situation until the No-RAP LUPA claim is submitted, another provider can open an episode by submitting a RAP or by submitting a No-RAP LUPA Claim
Claim Adjustment	<ul style="list-style-type: none"> • No impact on the episode unless adjustment changes patient status to transfer <i>or service lines are added or removed to change the DOEBA or DOLBA date.</i> 	<ul style="list-style-type: none"> • No impact
Claim Cancellation by Provider	<ul style="list-style-type: none"> • The episode is deleted from CWF 	<ul style="list-style-type: none"> • No episode exists to prevent RAP submission or No-RAP LUPA claim submission <i>by another provider,</i>

Transaction	How CWF Is Impacted	How Other Providers Are Impacted
or Contractor		<i>making that provider the primary HHA for the dates of the episode</i>
Claim Cancellation by System	<ul style="list-style-type: none"> The episode record remains open on CWF 	<ul style="list-style-type: none"> Other RAPs submitted during this open episode will be rejected unless an indicator of a transfer or discharge/readmission is present No-RAP LUPA claims will be rejected unless an indicator of a transfer or discharge/readmission is present

40 - Completion of Form CMS-1450 for Home Health Agency Billing

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The Social Security Act at §1862 (a)(22) requires that all claims for Medicare payment must be submitted in an electronic form specified by the Secretary of Health and Human Services, unless an exception described at §1862 (h) applies. The electronic form required for billing home health services is the ANSI X12N 837 Institutional claim transaction. Since the data structure of the 837 transaction is difficult to express in narrative form and to provide assistance to small providers excepted from the electronic claim requirement, the instructions below are given relative to the data element names on the UB-04 (Form CMS-1450) hardcopy form. Each data element name is shown in bold type. Information regarding the form locator numbers that correspond to these data element names is found in Chapter 25.

Because claim formats serve the needs of many payers, some data elements may not be needed by a particular payer. *This section provides* detailed information only for items required for Medicare home health claims. Items not listed need not be completed although home health agencies may complete them when billing multiple payers. In all cases, the provider is responsible for filing a timely claim for payment. (See Chapter 1.)

40.1 - Request for Anticipated Payment (RAP)

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The following data elements are required to submit a request for anticipated payment under HH PPS. Home health services under a plan of care are paid based on a 60-day episode of care. Payment for this episode is usually made in two parts. To receive the first part of the HH PPS split payment, the HHA must submit an RAP *using the* coding described below.

Each RAP must *report a* payment group represented by a HIPPS code. In general, an RAP and a claim will be submitted for each episode period. Each claim must represent the actual utilization over the episode period. If the claim is not received 120 days after the start date of the episode or 60 days after the paid date of the RAP (whichever is greater), the RAP payment will be canceled automatically by Medicare claims processing

systems. The full recoupment of the RAP payment will be reflected on the *HHA's* next remittance advice (RA).

If care continues with the same provider for a second episode of care, the RAP for the second episode may be submitted even if the claim for the first episode has not yet been submitted. If a prior episode is overpaid, the current mechanism of generating an accounts receivable debit and deducting it on the *HHA's* next RA will be used to recoup the overpaid amount.

While an RAP is not considered a claim for purposes of Medicare regulations, it is submitted using the same formats as Medicare claims.

Provider Name, Address, and Telephone Number

Required - The minimum entry is the agency's name, city, State, and ZIP Code. The post office box number or street name and number may be included. The State may be abbreviated using standard post office abbreviations. Five or nine-digit ZIP Codes are acceptable. This information is used in connection with the Medicare provider number to verify provider identity.

Patient Control Number

Optional - The patient's control number may be shown if the HHA assigns one and needs it for association and reference purposes.

Type of Bill

Required - This 3-digit alphanumeric code gives three specific pieces of information. The first digit identifies the type of facility. The second classifies the type of care. The third indicates the sequence of this bill in this particular episode of care. It is referred to as a "frequency" code. The types of bill accepted for HH PPS requests for anticipated payment are any combination of the codes listed below:

Code Structure (only codes used to bill Medicare are shown).

1st Digit-Type of Facility

3 - Home Health

2nd Digit-Bill Classification (Except Clinics and Special Facilities)

2 - Hospital Based or Inpatient (Part B) (includes HHA visits under a Part B plan of care).

NOTE: While the bill classification of "3," defined as "Outpatient (includes HHA visits under a Part A plan of care and use of HHA DME under a Part A plan of care)" may also be appropriate to an HH PPS claim depending upon a beneficiary's eligibility, Medicare

encourages HHAs to submit all RAPs with bill classification “2.” Medicare claims processing systems determine whether an HH claim should be paid from the Part A or Part B trust fund and will change the bill classification digit on the electronic claim record as necessary to reflect this.

3rd Digit-Frequency	Definition
2-Interim-First Claim	For HHAs, used for the submission of original or replacement RAPs.
8-Void/Cancel of a Prior Claim	Used to indicate this bill is an exact duplicate of an incorrect bill previously submitted. A replacement RAP must be submitted for the episode to be paid. If an RAP is submitted in error (for instance, an incorrect HIPPS code is submitted), this code cancels it so that a corrected RAP can be submitted.

Medicare contractors will allow only provider-submitted cancellations of RAPs or *provider-submitted final* claims to process as adjustments against original RAPs. Provider may not *submit adjustments (frequency code ‘7’) to* RAPs.

Statement Covers Period (From-Through)

Required - Typically, these fields show the beginning and ending dates of the period covered by a bill. Since the RAP is a request for payment for future services, however, the ending date may not be known. The RAP contains the same date in both the “from” and “through” date fields. On the first RAP in an admission, this date should be the date the first service was provided to the beneficiary. On RAPs for subsequent episodes of continuous care, this date should be the day immediately following the close of the preceding episode (day 61, 121, etc.).

Patient Name/Identifier

Required - Patient’s last name, first name, and middle initial.

Patient Address

Required - Patient’s full mailing address, including street number and name, post office box number or RFD, City, State, and ZIP Code.

Patient Birth Date

Required - Month, day, and year of birth of patient.

Left blank if the full correct date is not known.

Patient Sex

Required - “M” for male or “F” for female must be present. This item is used in conjunction with diagnoses and surgical procedures to identify inconsistencies.

Admission/Start of Care Date

Required - Date the patient was admitted to home health care. On the first RAP in an admission, this date should match the statement covers “from” date. On RAPs for subsequent episodes of continuous care, this date should remain constant, showing the actual date the beneficiary was admitted to home health care. The date on RAPs for subsequent episodes should, therefore, match the date submitted on the first RAP in the admission.

Point of Origin for Admission or Visit

Required - Indicates the patient’s point of origin for the admission.

The HHA enters any appropriate National Uniform Billing Committee (NUBC) approved code.

Patient Discharge Status

Required - Indicates the patient’s status as of the “through” date of the billing period. Since the “through” date of the RAP will match the “from” date, the patient will never be discharged as of the “through” date. As a result only one patient status is possible on RAPs, code 30 which represents that the beneficiary is still a patient of the HHA.

Condition Codes

Conditional. The HHA enters any NUBC approved code to describe conditions that apply to the RAP.

If the RAP is for an episode in which the patient has transferred from another HHA, the HHA enters condition code 47.

If canceling the RAP (TOB 3X8), the agency reports one of the following:
Claim Change Reasons

Code	Title	Definition
D5	Cancel to Correct HICN or Provider ID	Cancel only to correct an HICN or Provider Identification Number.
D6	Cancel Only to Repay a Duplicate or OIG Overpayment	Cancel only to repay a duplicate payment or OIG overpayment. Use when D5 is not appropriate.

Enter “Remarks” indicating the reason for cancellation.

Occurrence Codes and Dates

Conditional – The HHA enters any NUBC approved code to describe occurrences that apply to the RAP. *Occurrence code values* are two alphanumeric digits, and *the corresponding* dates are shown as eight numeric digits.

Other codes may be required by other payers, and while they are not used by Medicare, they may be entered on the RAP.

Value Codes and Amounts

Required - Home health episode payments must be based upon the site at which the beneficiary is served. RAPs will not be processed without the following value code:

Code	Title	Definition
61	Location Where Service is Furnished (HHA and Hospice)	MSA number or Core Based Statistical Area (CBSA) number (or rural state code) of the location where the home health or hospice service is delivered. The HHA reports the number in dollar portion of the form locator right justified to the left of the dollar/cents delimiter, add two zeros to the cents field if no cents.

Conditional - Any NUBC approved Value code to describe other values that apply to the RAP. The codes are two alphanumeric digits, and each value allows up to nine numeric digits (0000000.00).

Revenue Code and Revenue Description

Required - One revenue code line is required on the RAP. This line will be used to report a single HIPPS code that will be the basis of the anticipated payment. The required revenue code and description for HH PPS RAPs follows:

Revenue Code	Description
0023	HIPPS - Home Health PPS

The 0023 code is not submitted with a charge amount.

Optional - HHAs may submit additional revenue code lines *if they choose*, reporting any revenue codes which are accepted on HH PPS claims (see §40.2) except another 0023 *revenue code*. Purposes for doing so include the requirements of the other payers, or billing software limitations that require a charge on all requests for payment.

NOTE: Revenue codes 058X and 059X are not accepted with covered charges on Medicare home health RAPs under HH PPS. Revenue code 0624 (investigational devices) is not accepted at all on Medicare home health RAPs under HH PPS.

HCPCS/Accommodation Rates/HIPPS Rate Codes

Required - On the 0023 revenue code line, the HHA reports the HIPPS code for which anticipated payment is being requested.

Optional - If additional revenue code lines are submitted on the RAP, HHAs must report HCPCS codes as appropriate to that revenue code. Coding detail for each revenue code under HH PPS is defined in §40.2.

Service Date

Required - On the 0023 revenue code line, the HHA reports the date of the first billable service provided under the HIPPS code reported on that line.

Optional - If additional revenue codes are submitted on the RAP, the HHA reports service dates as appropriate to that revenue code. Coding detail for each revenue code under HH PPS is defined in §40.2.

Service Units

Required – *Transaction standards require the reporting of a number greater than zero as the units on the 0023 revenue code line. However, Medicare systems will disregard the submitted units in processing the RAP.* If additional revenue codes are submitted on the RAP, the HHA reports service units as appropriate to that revenue code. Coding detail for each revenue code under HH PPS is defined in §40.2.

Total Charges

Required – The HHA reports zero charges on the 0023 revenue code line.

Optional - If additional revenue codes are submitted on the RAP, the HHA reports any necessary charge amounts to meet the requirements of other payers or its billing software. Medicare claims processing systems will not make any payments based upon submitted charge amounts.

Payer Name

Required - See Chapter 25.

Medicare does not make Secondary Payer payments on RAPs. This includes conditional payments.

Release of Information Certification Indicator

Required - A “Y” code indicates the provider has on file a signed statement permitting the provider to release data to other organizations in order to adjudicate the claim. An “R” code indicates the release is limited or restricted. An “N” code indicates no release on file.

National Provider Identifier – Billing Providers

Required - The HHA enters their provider identifier.

Insured’s Name

Required - On the same lettered line (A, B, or C) that corresponds to the line on which Medicare payer information is shown, record the patient’s name as shown on the patient’s HI card or other Medicare notice.

Insured’s Unique Identifier

Required - See Chapter 25.

Treatment Authorization Code

Required - The HHA enters the claim-OASIS matching key output by the Grouper software. *This data element enables historical claims data to be linked to individual OASIS assessments supporting the payment of individual claims for research purposes. It is also used in recalculating payment group codes in the HH Pricer (see section 70).*

The format of the treatment authorization code is shown here:

Position	Definition	Format
1-2	M0030 (Start-of-care date) – 2 digit year	99
3-4	M0030 (Start-of-care date) – alpha code for date	XX
5-6	M0090 (Date assessment completed) – 2 digit year	99
7-8	M0090 (Date assessment completed) – alpha code for date	XX
9	M0100 (Reason for assessment)	9
10	M0110 (Episode Timing) – Early = 1, Late = 2	9
11	Alpha code for Clinical severity points – under Equation 1	X
12	Alpha code for Functional severity points – under Equation 1	X
13	Alpha code for Clinical severity points – under Equation 2	X
14	Alpha code for Functional severity points – under Equation 2	X
15	Alpha code for Clinical severity points – under Equation 3	X
16	Alpha code for Functional severity points – under Equation 3	X
17	Alpha code for Clinical severity points – under Equation 4	X
18	Alpha code for Functional severity points – under Equation 4	X

NOTE: The dates in positions 3-4 and 7-8 are converted to 2 position alphabetic values using a hexavigesimal coding system. The 2 position numeric point scores in positions 11 – 18 are converted to a single alphabetic code using the same system. Tables defining these conversions are included in the documentation for the Grouper software that is available on the CMS Web site.

This is an example of a treatment authorization code created using this format:

Position	Definition	Actual Value	Resulting Code
1-2	M0030 (Start-of-care date) – 2 digit year	2007	07
3-4	M0030 (Start-of-care date) – code for date	09/01	JK
5-6	M0090 (Date assessment completed) – 2 digit year	2008	08
7-8	M0090 (Date assessment completed) – code for date	01/01	AA
9	M0100 (Reason for assessment)	04	4
10	M0110 (Episode Timing)	01	1
11	Clinical severity points – under Equation 1	7	G
12	Functional severity points – under Equation 1	2	B
13	Clinical severity points – under Equation 2	13	M
14	Functional severity points – under Equation 2	4	D
15	Clinical severity points – under Equation 3	3	C
16	Functional severity points – under Equation 3	4	D
17	Clinical severity points – under Equation 4	12	L
18	Functional severity points – under Equation 4	7	G

The treatment authorization code that would appear on the claim would be, in this example: 07JK08AA41GBMDCDLG.

Document Control Number (DCN)

Required - If canceling an RAP, HHAs must enter the control number (ICN or DCN) that the *contractor* assigned to the original RAP here (reported on the remittance record). ICN/DCN is not required in any other case.

Principal Diagnosis Code

Required - The HHA enters the ICD-9-CM code for the principal diagnosis. The code must be reported according to Official ICD-9-CM Guidelines for Coding and Reporting, as required by the Health Insurance Portability and Accountability Act (HIPAA). The code must be the full ICD-9-CM diagnosis code, including all five digits where applicable. Where the proper code has fewer than five digits, the HHA does not fill it with zeros.

The ICD-9-CM code and principle diagnosis reported on the claim must match the primary diagnosis code reported on the OASIS form item *M1020* (Primary Diagnosis).

Other Diagnoses Codes

Required - The HHA enters the full ICD-9-CM codes for additional conditions if they coexisted at the time of the establishment of the plan of care. None of these other diagnoses may duplicate the principal diagnosis.

For other diagnoses, the diagnoses and ICD-9-CM codes reported on the claim must match the additional diagnoses reported on the OASIS, form item **M1022** (Other Diagnoses). In listing the diagnoses, the HHA places them in order to best reflect the seriousness of the patient's condition and to justify the disciplines and services provided in accordance with the Official ICD-9-CM Guidelines for Coding and Reporting. The sequence of codes should follow ICD-9-CM guidelines for reporting manifestation codes. Therefore, if a manifestation code is part of the primary diagnosis, the first two diagnoses should match and appear in the same sequence on both forms. Medicare does not have any additional requirements regarding the reporting or sequence of the codes beyond those contained in ICD-9-CM guidelines.

Diagnosis codes in OASIS form item **M1024**, which reports Payment Diagnoses, are not directly reported in any field of the claim form. If under ICD-9-CM coding guidelines the codes reported in these OASIS items must be reported as Other Diagnoses, the codes may be repeated in OASIS form item **M1022** and will be reported on the claim. In other circumstances, the codes reported in payment diagnosis fields in OASIS may not appear on the claim form at all.

Attending Provider Name and Identifiers

Required - The HHA enters the name and provider identifier of the attending physician that has established the plan of care with verbal orders.

Remarks

Conditional - Remarks are necessary when canceling the RAP, to indicate the reason for the cancellation.

40.2 - HH PPS Claims

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The following data elements are required to submit a claim under home health PPS. For billing of home health claims not under an HH plan of care (not under HH PPS), see §90. Home health services under a plan of care *are* paid based on a 60-day episode of care. Payment for this episode will usually be made in two parts. After an RAP has been paid and a 60-day episode has been completed, or the patient has been discharged, the HHA submits a claim to receive the balance of payment due for the episode.

HH PPS claims will be processed in Medicare claims processing systems as debit/credit adjustments against the record created by the RAP, except in the case of "No-RAP"

LUPA claims (see §40.3). As the claim is processed the payment on the RAP will be reversed in full and the full payment due for the episode will be made on the claim. Both the debit and credit actions will be reflected on the remittance advice (RA) so the net payment on the claim can be easily understood. Detailed RA information is contained in chapter 22.

Billing Provider Name, Address, and Telephone Number

Required – The HHA’s minimum entry is the agency’s name, city, State, and ZIP Code. The post office box number or street name and number may be included. The State may be abbreviated using standard post office abbreviations. Five or nine-digit ZIP Codes are acceptable. Medicare contractors use this information in connection with the provider identifier to verify provider identity.

Patient Control Number and Medical/Health Record Number

Required - The patient’s control number may be shown if the patient is assigned one and the number is needed for association and reference purposes.

The HHA may enter the number assigned to the patient’s medical/health record. If this number is entered, the Medicare contractor must carry it through their system and return it on the remittance record.

Type of Bill

Required - This 3-digit alphanumeric code gives three specific pieces of information. The first digit identifies the type of facility. The second classifies the type of care. The third indicates the sequence of this bill in this particular episode of care. It is referred to as a “frequency” code. The types of bill accepted for HH PPS claims are any combination of the codes listed below:

Code Structure (only codes used to bill Medicare are shown).

1st Digit-Type of Facility

3 - Home Health

2nd Digit-Bill Classification (Except Clinics and Special Facilities)

2 - Hospital Based or Inpatient (Part B) (includes HHA visits under a Part B plan of treatment).

NOTE: While the bill classification of 3, defined as “Outpatient (includes HHA visits under a Part A plan of treatment and use of HHA DME under a Part A plan of treatment)” may also be appropriate to an HH PPS claim, Medicare encourages HHAs to submit all claims with bill classification 2. Medicare claims systems

determine whether an HH claim should be paid from the Part A or Part B trust fund and will change the bill classification digit on the electronic claim record as necessary to reflect this.

3rd Digit-Frequency - Definition

7 - Replacement of Prior Claim - HHAs use to correct a previously submitted bill. Apply this code for the corrected or “new” bill. These adjustment claims must be accepted at any point within the timely filing period after the payment of the original claim.

8 - Void/Cancel of a Prior Claim - HHAs use this code to indicate this bill is an exact duplicate of an incorrect bill previously submitted. A replacement RAP or claim must be submitted for the episode to be paid.

9 - Final Claim for an HH PPS Episode - This code indicates the HH bill should be processed as a debit/credit adjustment to the RAP. This code is specific to home health and does not replace frequency codes 7, or 8.

HHAs must submit HH PPS claims with the frequency of “9.” These claims may be adjusted with frequency “7” or cancelled with frequency “8.” Medicare contractors do not accept late charge bills, submitted with frequency “5,” on HH PPS claims. To add services within the period of a paid HH claim, the HHA must submit an adjustment.

Statement Covers Period

Required - The beginning and ending dates of the period covered by this claim. The “from” date must match the date submitted on the RAP for the episode. For continuous care episodes, the “through” date must be 59 days after the “from” date. The patient status code must be 30 in these cases.

In cases where the beneficiary has been discharged or transferred within the 60-day episode period, HHAs will report the date of discharge in accordance with internal discharge procedures as the “through” date. If the beneficiary has died, the HHA reports the date of death in the “through date.”

Any NUBC approved patient status code may be used in these cases. The HHA may submit claims for payment immediately after the claim “through” date. It is not required to hold claims until the end of the 60-day episode unless the beneficiary continues under care.

Patient Name/Identifier

Required – The HHA enters the patient’s last name, first name, and middle initial.

Patient Address

Required - The HHA enters the patient's full mailing address, including street number and name, post office box number or RFD, City, State, and ZIP Code.

Patient Birth Date

Required - The HHA enters the month, day, and year of birth of patient. If the full correct date is not known, leave blank.

Patient Sex

Required - "M" for male or "F" for female must be present. This item is used in conjunction with diagnoses and surgical procedures to identify inconsistencies.

Admission/Start of Care Date

Required - The HHA enters the same date of admission that was submitted on the RAP for the episode.

Point of Origin for Admission or Visit

Required - The HHA enters the same point of origin code that was submitted on the RAP for the episode.

Patient Discharge Status

Required - The HHA enters the code that most accurately describes the patient's status as of the "Through" date of the billing period. Any applicable NUBC approved code may be used.

Patient status code 06 should be reported in all cases where the HHA is aware that the episode will be paid as a partial episode payment (PEP) adjustment. These are cases in which the agency is aware that the beneficiary has transferred to another HHA within the 60-day episode, or the agency is aware that the beneficiary was discharged with the goals of the original plan of care met and has been readmitted within the 60-day episode. Situations may occur in which the HHA is unaware at the time of billing the discharge that these circumstances exist. In these situations, Medicare claims processing systems will adjust the discharge claim automatically to reflect the PEP adjustment, changing the patient status code on the paid claims record to 06.

In cases where an HHA is changing the Medicare contractor to which they submit claims, the service dates on the claims must fall within the provider's effective dates at each contractor. To ensure this, RAPs for all episodes with "from" dates before the provider's termination date must be submitted to the contractor the provider is leaving. The resulting episode must be resolved by the provider submitting claims for shortened periods, with "through" dates on or before the termination date. The provider must

indicate that these claims will be PEP adjustments by using patient status code 06. Billing for the beneficiary is being “transferred” to the new contractor.

In cases where the ownership of an HHA is changing *and* the *CMS* certification number (*CCN*) *also changes*, the service dates on the claims must fall within the effective dates of the terminating *CCN*. To ensure this, RAPs for all episodes with “from” dates before the termination date of the *CCN* must be resolved by the provider submitting claims for shortened periods, with “through” dates on or before the termination date. The provider must indicate that these claims will be PEP adjustments by using patient status 06. Billing for the beneficiary is being “transferred” to the new agency ownership. In changes of ownership which do not affect the *CCN*, billing for episodes is also unaffected.

In cases where an HHA is aware in advance that a beneficiary will become enrolled in a Medicare Advantage (MA) Organization as of a certain date, the provider should submit a claim for the shortened period prior to the MA Organization enrollment date. The claim should be coded with patient status 06. Payment responsibility for the beneficiary is being “transferred” from Medicare fee-for-service to MA Organization, since HH PPS applies only to Medicare fee-for-service.

If HHAs require guidance on OASIS assessment procedures in these cases, they should contact the appropriate state OASIS education coordinator.

Condition Codes

Conditional – The HHA enters any NUBC approved code to describe conditions that apply to the claim.

If the RAP is for an episode in which the patient has transferred from another HHA, the HHA enters condition code 47.

HHAs that are adjusting previously paid claims enter one of the *condition* codes representing Claim Change Reasons (*code values D0 through E0*). If adjusting the claim to correct a HIPPS code, HHAs use condition code D2 and enter “Remarks” indicating the reason for the HIPPS code change. *HHAs* use D9 if multiple changes are necessary.

When submitting a HH PPS claim as a demand bill, HHAs use condition code 20. See §50 for more detailed instructions regarding demand billing.

When submitting a HH PPS claim for a denial notice, HHAs use condition code 21. See §60 for more detailed instructions regarding no-payment billing.

Required - If canceling the claim (TOB 3X8), HHAs report the condition codes D5 or D6 and enter “Remarks” indicating the reason for cancellation of the claim.

Occurrence Codes and Dates

Conditional - The HHA enters any NUBC approved code to describe occurrences that apply to the claim.

Occurrence Span Code and Dates

Conditional - The HHA enters any NUBC approved Occurrence Span code to describe occurrences that apply to the claim. Reporting of occurrence span code 74 is not required to show the dates of an inpatient admission during an episode.

Value Codes and Amounts

Required - Home health episode payments must be based upon the site at which the beneficiary is served. For episodes in which the beneficiary's site of service changes from one CBSA to another within the episode period, HHAs should submit the CBSA code corresponding to the site of service at the end of the episode on the claim.

NOTE: Contractor-entered value codes. The Medicare contractor enters codes 17 and 62 - 65 on the claim in processing. They may be visible in the *Medicare contractor's* online *claim* history and on remittances.

Code	Title	Definition
17	Outlier Amount	The amount of any outlier payment returned by the Pricer with this code. (Contractors always place condition code 61 on the claim along with this value code.)
61	Location Where Service is Furnished (HHA and Hospice)	HHAs report the MSA number or Core Based Statistical Area (CBSA) number (or rural state code) of the location where the home health or hospice service is delivered. The HHA reports the number in dollar portion of the form locator right justified to the left of the dollar/cents delimiter, add two zeros to the cents field if no cents.
62	HH Visits - Part A	The number of visits determined by Medicare to be payable from the Part A trust fund to reflect the shift of payments from the Part A to the Part B trust fund as mandated by §1812 (a)(3) of the Social Security Act.
63	HH Visits - Part B	The number of visits determined by Medicare to be payable from the Part B trust fund to reflect the shift of payments from the Part A to the Part B trust fund as mandated by §1812 (a)(3) of the Social

Code	Title	Definition
		Security Act.
64	HH Reimbursement - Part A	The dollar amounts determined to be associated with the HH visits identified in a value code 62 amount. This Part A payment reflects the shift of payments from the Part A to the Part B trust fund as mandated by §1812 (a)(3) of the Social Security Act.
65	HH Reimbursement - Part B	The dollar amounts determined to be associated with the HH visits identified in a value code 63 amount. This Part B payment reflects the shift of payments from the Part A to the Part B trust fund as mandated by §1812 (a)(3) of the Social Security Act.

If information returned from the Common Working File (CWF) indicates all visits on the claim are Part A, the shared system must place value codes 62 and 64 on the claim record, showing the total visits and total PPS payment amount as the values, change the TOB on the claim record to 33X, and send the claim to CWF with RIC code V.

If information returned from CWF indicates all visits on the claim are Part B, the shared system must place value codes 63 and 65 on the claim record, showing the total visits and total PPS payment amount as the values, change the TOB on the claim record to 32X, and send the claim to CWF with RIC code W.

If information returned from CWF indicates certain visits on the claim are payable from both Part A and Part B, the shared system must place value codes 62, 63, 64, and 65 on the claim record. The shared system also must populate the values for code 62 and 63 based on the numbers of visits returned from CWF and prorate the total PPS reimbursement amount based on the numbers of visits to determine the dollars amounts to be associated with value codes 64 and 65. The shared system will not change the TOB and will return the claim to CWF with RIC code U.

Revenue Code and Revenue Description

Required

HH PPS claims must report a 0023 revenue code line on which the first four positions of the HIPPS code match the code submitted on the RAP. The fifth position of the code represents the non-routine supply (NRS) severity level. This fifth position may differ to allow the HHA to change a code that represents that supplies were provided to a code that represents that supplies were not provided, or vice versa. However, the fifth position may only change between the two values that represent the same NRS severity level.

Section 10.1.9 of this chapter contains the pairs of corresponding values. If these criteria are not met, Medicare claims processing systems will return the claim.

HHAs enter only one 0023 revenue code per claim in all cases.

Unlike RAPs, claims must also report all services provided to the beneficiary within the episode. Each service must be reported in line item detail. Each service visit (revenue codes 042X, 043X, 044X, 055X, 056X and 057X) must be reported as a separate line. Any of the following revenue codes may be used:

027X	<p>Medical/Surgical Supplies (Also see 062X, an extension of 027X)</p> <p>Required detail: With the exception of revenue code 0274 (prosthetic and orthotic devices), only service units and a charge must be reported with this revenue code. If also reporting revenue code 0623 to separately identify specific wound care supplies, not just supplies for wound care patients, ensure that the charge amounts for revenue code 0623 lines are mutually exclusive from other lines for supply revenue codes reported on the claim. Report only nonroutine supply items in this revenue code or in 0623.</p> <p>Revenue code 0274 requires an HCPCS code, the date of service units and a charge amount.</p> <p><i>NOTE: Revenue Codes 0275 through 0278 are not used for Medicare billing on HH PPS types of bills</i></p>
042X	<p>Physical Therapy</p> <p>Required detail: <i>One of the physical therapy HCPCS codes defined below in the instructions for the HCPCS code field</i>, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>
043X	<p>Occupational Therapy</p> <p>Required detail: <i>One of the occupational therapy HCPCS codes defined below in the instructions for the HCPCS code field</i>, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>
044X	<p>Speech-Language Pathology</p> <p>Required detail: <i>One of the speech-language pathology HCPCS codes defined below in the instructions for the HCPCS code field</i>, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>

055X	<p>Skilled Nursing</p> <p>Required detail: <i>One of the skilled nursing HCPCS codes defined below in the instructions for the HCPCS code field</i>, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>
056X	<p>Medical Social Services</p> <p>Required detail: <i>The medical social services HCPCS code defined below in the instructions for the HCPCS code field</i>, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>
057X	<p>Home Health Aide (Home Health)</p> <p>Required detail: <i>The home health aide HCPCS code defined below in the instructions for the HCPCS code field</i>, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>

NOTE: *Contractors* do not accept revenue codes 058X or 059X when submitted with covered charges on Medicare home health claims under HH PPS. They also do not accept revenue code 0624, investigational devices, on HH claims under HH PPS.

Revenue Codes for Optional Billing of DME

Billing of Durable Medical Equipment (DME) provided in the episode is not required on the HH PPS claim. Home health agencies retain the option to bill these services to their Medicare contractor processing home health claims or to have the services provided under arrangement with a supplier that bills these services to the DME MAC. Agencies that choose to bill DME services on their HH PPS claims must use the revenue codes below. *These services will be paid separately in addition to the HH PPS amount, based on the applicable Medicare fee schedule.* For additional instructions for billing DME services see chapter 20.

0274	<p><i>Prosthetic/Orthotic Devices</i></p> <p><i>Required detail: the applicable HCPCS code for the item, a date of service, a number of service units, and a charge amount.</i></p>
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029X	<p>Durable Medical Equipment (DME) (Other Than Renal)</p> <p>Required detail: the applicable HCPCS code for the item, a date of service indicating the purchase date or the beginning date of a monthly rental, a number of service units, and a charge amount. Monthly rental items should be reported with a separate line for each month's rental and service units of one.</p> <p><i>Revenue code 0294 is used to bill drugs/supplies for the effective use of DME.</i></p>
060X	<p>Oxygen (Home Health)</p> <p>Required detail: the applicable HCPCS code for the item, a date of service, a number of service units, and a charge amount.</p>

Revenue Code for Optional Reporting of Wound Care Supplies

0623	<p>Medical/Surgical Supplies - Extension of 027X</p> <p>Required detail: Only service units and a charge must be reported with this revenue code. If also reporting revenue code 027x to identify nonroutine supplies other than those used for wound care, the HHA must ensure that the charge amounts for the two revenue code lines are mutually exclusive.</p>
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HHAs may voluntarily report a separate revenue code line for charges for nonroutine wound care supplies, using revenue code 0623. Notwithstanding the standard abbreviation “surg dressings,” HHAs use this code to report charges for ALL nonroutine wound care supplies, including but not limited to surgical dressings.

Pub. 100-02, Medicare Benefit Policy Manual, chapter 7, defines routine vs. nonroutine supplies. HHAs use that definition to determine whether any wound care supply item should be reported in this line because it is nonroutine.

HHAs can assist CMS’ future refinement of payment rates if they consistently and accurately report their charges for nonroutine wound care supplies under revenue center code 0623. HHAs should ensure that charges reported under revenue code 027X for nonroutine supplies are also complete and accurate.

Validating Required Reporting of Supply Revenue Code

The HH PPS includes a separate case-mix adjustment for non-routine supplies. *Non-routine* supply severity levels *are* indicated on HH PPS claims through a code value in the 5th position of the HIPPS code. The 5th position of the HIPPS code can contain two sets of values. One set of codes (the letters S through X) indicate that supplies were provided. The second set of codes (the numbers 1 through 6) indicate the HHA is intentionally reporting that they did not provide supplies during the episode. See section 10.1.9 for the complete composition of HIPPS under the HH PPS.

HHAs must ensure that if they are submitting a HIPPS code with a 5th position containing the letters S through X, the claim must also report a non-routine supply revenue with covered charges. This revenue code may be either revenue code 27x, excluding 274, or revenue code 623, consistent with the instructions for optional separate reporting of wound care supplies.

Medicare systems will return the claim to the HHA if the HIPPS code indicates non-routine supplies were provided and supply charges are not reported on the claim. When the HHA receives a claim returned for this reason, the HHA must review their records regarding the supplies provided to the beneficiary. The HHA may take one of the following actions, based on the review of their records:

- If non-routine supplies were provided, the supply charges must be added to the claim using the appropriate supply revenue code.
- If non-routine supplies were not provided, the HHA must indicate that on the claim by changing the 5th position of the HIPPS code to the appropriate numeric value in the range 1 through 6.

After completing one of these actions, the HHA may return the claim to the Medicare contractor for continued adjudication.

HCPCS/Accommodation Rates/HIPPS Rate Codes

Required - On the 0023 revenue code line, the HHA must report the HIPPS code that was reported on the RAP. The first four positions of the code must be identical to the value reported on the RAP. The fifth position may vary from the letter value reported on the RAP to the corresponding number which represents the same non-routine supply severity level but which reports that non-routine supplies were not provided.

HHAs enter only one HIPPS code per claim in all cases. Claims submitted with additional HIPPS codes will be returned to the provider.

For revenue code lines other than 0023, the HHA reports HCPCS codes as appropriate to that revenue code.

To report HH visits on episodes beginning before January 1, 2011, the HHA reports a single HCPCS code to represent each HH care discipline. These codes are:

G0151 Services of physical therapist in home health or hospice setting, each 15 minutes.

G0152 Services of an occupational therapist in home health or hospice setting, each 15 minutes.

G0153 Services of a speech language pathologist in home health or hospice setting, each 15 minutes.

G0154 Services of skilled nurse in the home health or hospice settings, each 15 minutes.

G0155 Services of a clinical social worker under a home health plan of care, each 15 minutes.

G0156 Services of a home health aide under a home health plan of care, each 15 minutes.

To report HH visits on episodes beginning on or after January 1, 2011, the HHA reports one of the following HCPCS code to represent each HH care discipline

Physical Therapy (revenue code 042x)

G0151 Services performed by a qualified physical therapist in the home health or hospice setting, each 15 minutes.

G0157 Services performed by a qualified physical therapist assistant in the home health or hospice setting, each 15 minutes.

G0159 Services performed by a qualified physical therapist, in the home health setting, in the establishment or delivery of a safe and effective physical therapy maintenance program, each 15 minutes.

Occupational Therapy (revenue code 043x)

G0152 Services performed by a qualified occupational therapist in the home health or hospice setting, each 15 minutes.

G0158 Services performed by a qualified occupational therapist assistant in the home health or hospice setting, each 15 minutes.

G0160 Services performed by a qualified occupational therapist, in the home health setting, in the establishment or delivery of a safe and effective occupational therapy maintenance program, each 15 minutes.

Speech-Language Pathology (revenue code 044x)

G0153 Services performed by a qualified speech-language pathologist in the home health or hospice setting, each 15 minutes.

G0161 Services performed by a qualified speech-language pathologist, in the home health setting, in the establishment or delivery of a safe and effective speech-language pathology maintenance program, each 15 minutes.

Skilled Nursing (revenue code 055x)

G0154 Direct skilled services of a licensed nurse (LPN or RN) in the home health or hospice setting, each 15 minutes.

G0162 Skilled services by a licensed nurse (RN only) for management and evaluation of the plan of care, each 15 minutes (the patient's underlying condition or complication requires an RN to ensure that essential non-skilled care achieves its purpose in the home health or hospice setting).

G0163 Skilled services of a licensed nurse (LPN or RN) for the observation and assessment of the patient's condition, each 15 minutes (the change in the patient's condition requires skilled nursing personnel to identify and evaluate the patient's need for possible modification of treatment in the home health or hospice setting).

G0164 Skilled services of a licensed nurse (LPN or RN), in the training and/or education of a patient or family member, in the home health or hospice setting, each 15 minutes.

Medical Social Services (revenue code 056x)

G0155 Services of a clinical social worker under a home health plan of care, each 15 minutes.

Home Health Aide (revenue code 057x)

G0156 Services of a home health aide under a home health plan of care, each 15 minutes.

Regarding all skilled nursing and skilled therapy visits

In the course of a single visit, a nurse or qualified therapist may provide more than one of the nursing or therapy services reflected in the codes above. HHAs must not report more than one G-code for each visit regardless of the variety of services provided during the visit. In cases where more than one nursing or therapy service is provided in a visit, the HHA must report the G-code which reflects the service for which the clinician spent most of his/her time.

For instance, if direct skilled nursing services are provided, and the nurse also provides training/education of a patient or family member during that same visit, we would expect the HHA to report the G-code which reflects the service for which most of the time was spent during that visit. Similarly, if a qualified therapist is performing a therapy service and also establishes a maintenance program during the same visit, the HHA should report the G-code which reflects the service for which most of the time was spent during that visit. In all cases, however, the number of 15-minute increments reported for the visit should reflect the total time of the visit.

Service Date

Required - On *the* 0023 revenue code line, the HHA reports the date of the first service provided under the HIPPS code. For other line items detailing all services within the episode period, it reports service dates as appropriate to that revenue code. Coding detail for each revenue code under HH PPS is defined above *under Revenue Codes*. For service visits that begin in 1 calendar day and span into the next calendar day, report one visit using the date the visit ended as the service date.

Service Units

Required - *Transaction standards require the reporting of a number greater than zero as the units on the 0023 revenue code line. However, Medicare systems will disregard the submitted units in processing the claim.* For line items detailing all services within the episode period, the HHA reports units of service as appropriate to that revenue code. Coding detail for each revenue code under HH PPS is defined above under Revenue Codes.

For the revenue codes that represent home health visits (042X, 043X, 044X, 055X, 056X, and 057X), the HHA reports as service units a number of 15 minute increments that comprise the time spent treating the beneficiary. Time spent completing the OASIS assessment in the home as part of an otherwise covered and billable visit and time spent updating medical records in the home as part of such a visit may also be reported. Visits of any length are to be reported, rounding the time to the nearest 15-minute increment. Visits cannot be split into multiple lines. Report covered and noncovered increments of the same visit on the same line.

Total Charges

Required - The HHA must report zero charges on the 0023 revenue code line (the field may be zero or blank).

For line items detailing all services within the episode period, the HHA reports charges as appropriate to that revenue code. Coding detail for each revenue code under HH PPS is defined above *under Revenue Codes*. Charges may be reported in dollars and cents (i.e., charges are not required to be rounded to dollars and zero cents). Medicare claims processing systems will not make any payments based upon submitted charge amounts.

Non-covered Charges

Required - The total noncovered charges pertaining to the related revenue code are entered here.

Payer Name

Required - See chapter 25.

Release of Information Certification Indicator

Required - See chapter 25.

National Provider Identifier – Billing Provider

Required - The HHA enters their provider identifier.

Insured's Name

Required only if MSP involved. See Pub. 100-05, Medicare Secondary Payer Manual.

Patient's Relationship To Insured

Required only if MSP involved. See Pub. 100-05, Medicare Secondary Payer Manual.

Insured's Unique Identifier

Required only if MSP involved. See Pub. 100-05, Medicare Secondary Payer Manual.

Insured's Group Name

Required only if MSP involved. See Pub. 100-05, Medicare Secondary Payer Manual.

Insured's Group Number

Required only if MSP involved. See Pub. 100-05, Medicare Secondary Payer Manual.

Treatment Authorization Code

Required - The HHA enters the claim-OASIS matching key output by the Grouper software. *This data element enables historical claims data to be linked to individual OASIS assessments supporting the payment of individual claims for research purposes. It is also used in recalculating payment group codes in the HH Pricer (see section 70).*

The format of the treatment authorization code is shown here:

Position	Definition	Format
1-2	M0030 (Start-of-care date) – 2 digit year	99
3-4	M0030 (Start-of-care date) – alpha code for date	XX
5-6	M0090 (Date assessment completed) – 2 digit year	99
7-8	M0090 (Date assessment completed) – alpha code for date	XX
9	M0100 (Reason for assessment)	9
10	M0110 (Episode Timing) – Early = 1, Late = 2	9
11	Alpha code for Clinical severity points – under Equation 1	X
12	Alpha code for Functional severity points – under Equation 1	X
13	Alpha code for Clinical severity points – under Equation 2	X

14	Alpha code for Functional severity points – under Equation 2	X
15	Alpha code for Clinical severity points – under Equation 3	X
16	Alpha code for Functional severity points – under Equation 3	X
17	Alpha code for Clinical severity points – under Equation 4	X
18	Alpha code for Functional severity points – under Equation 4	X

NOTE: The dates in positions 3-4 and 7-8 are converted to 2 position alphabetic values using a hexavigesimal coding system. The 2 position numeric point scores in positions 11 – 18 are converted to a single alphabetic code using the same system. Tables defining these conversions are included in the documentation for the Grouper software that is available on the CMS Web site.

This is an example of a treatment authorization code created using this format:

Position	Definition	Actual Value	Resulting Code
1-2	M0030 (Start-of-care date) – 2 digit year	2007	07
3-4	M0030 (Start-of-care date) – code for date	09/01	JK
5-6	M0090 (Date assessment completed) – 2 digit year	2008	08
7-8	M0090 (Date assessment completed) – code for date	01/01	AA
9	M0100 (Reason for assessment)	04	4
10	M0110 (Episode Timing)	01	1
11	Clinical severity points – under Equation 1	7	G
12	Functional severity points – under Equation 1	2	B
13	Clinical severity points – under Equation 2	13	M
14	Functional severity points – under Equation 2	4	D
15	Clinical severity points – under Equation 3	3	C
16	Functional severity points – under Equation 3	4	D
17	Clinical severity points – under Equation 4	12	L
18	Functional severity points – under Equation 4	7	G

The treatment authorization code that would appear on the claim would be, in this example: 07JK08AA41GBMDCDLG.

In cases of billing for denial notice, using condition code 21, this code may be filled with a placeholder value as defined in section 60.

The investigational device (IDE) revenue code, 0624, is not allowed on HH PPS claims. Therefore, treatment authorization codes associated with IDE items must never be submitted in this field.

The claims-OASIS matching key on the claim will match that submitted on the RAP.

Document Control Number (DCN)

Required - If submitting an adjustment (TOB 3X7) to a previously paid HH PPS claim, the HHA enters the control number assigned to the original HH PPS claim here.

Since HH PPS claims are processed as adjustments to the RAP, Medicare claims processing systems will match all HH PPS claims to their corresponding RAP and populate this field on the electronic claim record automatically. Providers do not need to submit a DCN on all HH PPS claims, only on adjustments to paid claims.

Employer Name

Required only if MSP involved. See Pub. 100-05, Medicare Secondary Payer Manual.

Principal Diagnosis Code

Required - The HHA enters the ICD-9-CM code for the principal diagnosis. The code must be reported according to Official ICD-9-CM Guidelines for Coding and Reporting, as required by the Health Insurance Portability and Accountability Act (HIPAA). The code may be the full ICD-9-CM diagnosis code, including all five digits where applicable. Where the proper code has fewer than five digits, the HHA does not fill it with zeros.

The ICD-9-CM code and principle diagnosis reported must match the primary diagnosis code reported on the OASIS form item *M1020* (Primary Diagnosis).

The principal diagnosis code on the claim will match that submitted on the RAP.

Other Diagnosis Codes

Required - The HHA enters the full ICD-9-CM codes for up to eight additional conditions if they coexisted at the time of the establishment of the plan of care. These codes may **not** duplicate the principal diagnosis as an additional or secondary diagnosis.

For other diagnoses, the diagnoses and ICD-9-CM codes reported on the claim must match the additional diagnoses reported on the OASIS, form item *M1022* (Other Diagnoses). In listing the diagnoses, the HHA places them in order to best reflect the seriousness of the patient's condition and to justify the disciplines and services provided in accordance with the Official ICD-9-CM Guidelines for Coding and Reporting. The sequence of codes should follow ICD-9-CM guidelines for reporting manifestation codes. Therefore, if a manifestation code is part of the primary diagnosis, the first two diagnoses should match and appear in the same sequence on both forms. Medicare does not have any additional requirements regarding the reporting or sequence of the codes beyond those contained in ICD-9-CM guidelines.

Diagnosis codes in OASIS form item *M1024*, which reports Payment Diagnoses, are not directly reported in any field of the claim form. If under ICD-9-CM coding guidelines the codes reported in these OASIS items must be reported as Other Diagnoses, the codes may be repeated in OASIS form item *M1022* and will be reported on the claim. In other circumstances, the codes reported in payment diagnosis fields in OASIS may not appear on the claim form at all.

Attending Provider Name and Identifiers

Required - The HHA enters the name and provider identifier of the attending physician that has signed the plan of care.

Remarks

Conditional - Remarks are required only in cases where the claim is cancelled or adjusted.

40.4 - Collection of Deductible and Coinsurance from Patient

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The following table is a summary of deductible and coinsurance by bill type:

Bill Type	Rule
Patient Under Home Health Part A or Part B Plan of Care (Bill Type 32X) (May be processed as TOB 33X)	No deductible applicable; and No coinsurance applicable Exception: Coinsurance applies on DME and orthotic/prosthetic claims.
Patient Not Under Plan of Care, Part B Medical and Other Health Services and Osteoporosis Injections (Bill Type 34X)	Deductible applies; and Coinsurance applies <i>Exception: Deductible and coinsurance may be waived for certain preventive services (see Chapter 18)</i>

There is usually no requirement for Part B deductible or coinsurance under a home health plan of care. An exception to this rule applies to osteoporosis injections where a Part B deductible and coinsurance must be collected, even if the drug is provided under a plan of care.

Where deductible and coinsurance apply for Part B medical and other health services **not** covered under a plan of care, the HHA collects the amount of any unmet deductible from

the patient. To determine this amount the HHA interviews the patient. If the patient is unable to conduct their own affairs, the HHA interviews a member of the patient's family or other acceptable representative.

Another exception is the services paid under the DMEPOS fee schedule.

The following rules apply to payment and patient liability for DME and prosthetics and orthotics when furnished by an HHA not under PPS.

According to Federal regulations found in 42 CFR 410.2, a nominal charge provider means a provider that furnishes services free of charge or at a nominal charge, and is either a public provider or another provider that (1) demonstrates to CMS' satisfaction that a significant portion of its patients are low-income; and (2) requests that payment for its services be determined accordingly.

50 - Beneficiary-Driven Demand Billing Under HH PPS

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Demand billing is a procedure through which beneficiaries can request Medicare payment for services that: (1) their HHAs advised them were not medically reasonable and necessary, or that (2) they failed to meet the homebound, intermittent or noncustodial care requirements, and therefore would not be reimbursed if billed. The HHA must inform the beneficiary of this assessment in a Home Health Advance Beneficiary Notice (HHABN), which also must be signed by the beneficiary or appropriate representative. Instructions for the HHABN are found in Chapter 30 of this manual, §60.

Beneficiaries pay out of pocket or third party payers cover the services in question, but HHAs in return, upon request of the beneficiary, are required to bill Medicare for the disputed services. If, after its review, Medicare decides some or all the disputed services received on the "demand bill" are covered and pays for them, the HHA would refund the previously collected funds for these services. If the Medicare determination upholds the HHA's judgment that the services were not medically reasonable and necessary, or that the beneficiary failed to meet the homebound or intermittent care requirements, the HHA keeps the funds collected, unless the *Medicare contractor* determines the HHABN notification was not properly executed, or some other factor changed liability for payment of the disputed services back to the HHA.

The Medicare payment unit for home care under the home health prospective payment system (HH PPS) is an episode of care, usually 60 days in length. In order to be eligible for episode payment, Medicare beneficiaries must be: (1) under a physician plan of care, and (2) at least one service must have been provided to the beneficiary, so that a request for anticipated payment (RAP) can be sent to Medicare and create a record of an episode in Medicare claims processing systems. Therefore, demand billing under HH PPS must conform to ALL of the following criteria:

- Situations in which disputed services are called for under a plan of care, but the HHA believes the services do not meet Medicare criteria for coverage;
- Claims sent to Medicare with TOB 32X and 33X; and
- Episodes on record in Medicare claims processing systems (at least one service in episode).

A - Interval of Billing

Under HH PPS, the interval of billing is standard. At most, a RAP and a claim are billed for each episode. Providers may submit a RAP after the delivery of the first service in the 60-day episode, and they must submit a claim either after discharge or after the end of the 60-day episode. This does not change in demand bill situations, so that only the claim at the end of the episode is the demand bill.

B - Timeliness of Billing

The CMS requests that HHAs submit demand bills promptly. Timely filing requirements were not changed by HH PPS (see Chapter 1 for information on timely filing). CMS has defined “promptly” for HH PPS to mean submission at the end of the episode in question. The beneficiary must also be given either a copy of the claim or a written statement of the date the claim was submitted. HH PPS provides a new incentive to be prompt in filing claims, since RAP payments are automatically recouped against other payments if the claim for a given episode does not follow the RAP in the later of: (1) 120 days from the start of the episode; or (2) 60 days from the payment date of the RAP. The RAP must be re-billed once payment has been recouped if the claim is to be billed unless the claim is a no-RAP LUPA as described in §40.3.

C - Claim Requirements

Original HH PPS claims are submitted with TOB 329 in form locator (FL) 4, and provide all other information required on that claim for the HH PPS episode, including all visit-specific detail for the entire episode (the HHA must NOT use 3X0). When such claims also serve as demand bills, the following information must **also** be provided: condition code “20” in FL 24-30; and the services in dispute shown as noncovered (FL 48) line items. Demand Bills may be submitted with all noncovered charges. Provision of this additional information assures medical review of the demand bill. HH PPS adjustment bills, TOB 327, may also be submitted but must have been preceded by the submission of a 329 claim for the same episode. RAPs are not submitted as demand bills, but must be submitted for any episode for which a demand bill will be submitted. Such RAPs should not use condition code 20, only the claim of the episode uses this code.

Cases may arise in which the services in dispute are visits for which an HHA has physician’s orders, but the duration of the visits exceeds Medicare coverage limits. However, the portion of these visits that is not covered by Medicare may be covered by

another payer (e.g., an 8 hour home health aide visit in which the first 2 hours may be covered by Medicare and the remaining 6 hours may be covered by other insurance). In such cases, HHAs must submit these visits on demand bills as a single line item, representing the portion potentially covered by Medicare with a covered charge amount and the portion to be submitted for consideration by other insurance with a noncovered charge amount on the same line. Units reported on this line item should represent the entire elapsed time of the visit (the sum of the covered and noncovered portions), represented in 15 minute increments.

D - Favorable Determinations and Medicare Payment

Results of Medicare determinations favorable to the party requesting the demand bill will not necessarily result in increased Medicare payment. In such cases, and even if a favorable determination is made but payment does not change, HHAs will still refund any monies collected from beneficiaries or other payers for services previously thought not medically necessary under Medicare. Medicare payment will change only with the addition of covered visits if one or more of the following conditions apply:

- An increase in the number of therapy visits results in meeting the therapy threshold for an episode in which the therapy threshold was not previously met - in such cases, the payment group of the episode would be changed by the *contractor* in medical review;
- An increase in the number of overall visits that either:
 1. Changes payment from a low-utilization payment adjustment to a full episode; or
 2. Results in the episode meeting the threshold for outlier payment (it is highly unlikely both things occur for the same episode).
- A favorable ruling on a demand bill adds days to:
 3. An episode that received a partial episode payment (PEP) adjustment, or
 4. A period within an episode that received a significant change in condition (SCIC) adjustment.

If a favorable determination is made, *contractors* will assure pricing of the claim occurs after medical review so that claims also serving as demand bills receive appropriate payment.

E - Appeals

Appeal of Medicare determinations made on HH PPS claims also serving as demand bills is accomplished by appealing the HH PPS claim. Such appeals are done in accordance

with regulations stipulating appeals rights for Medicare home health claims. HH PPS RAPs do not have appeal rights; rather, appeals rights are tied to the claims that represent all services delivered for the entire episode unit of payment.

F – Specific Demand Billing Scenarios

1. Independent Assessment. Billing questions relative to the HHABN and home health assessments have persisted. With regard to payment liability for the assessment itself, the assessment is a non-covered service that is not a Medicare benefit and is never separately payable by Medicare. In all such cases, a choice remains: The provider may or may not decide to hold the beneficiary liable, and Medicare cannot specify which is appropriate because the service at issue is outside Medicare's scope.

If a decision is made to hold a beneficiary liable for just the assessment, CMS believes providers must be in compliance with the home health Conditions of Participation (COPs), as follows:

484.10.e (1) The patient has the right to be advised, before care is initiated, of the extent to which payment for the HHA services may be expected from Medicare or other sources, and the extent to which payment may be required from the patient. Before care is initiated, the HHA must inform the patient, orally and in writing, of: (i) The extent to which payment may be expected from Medicare, Medicaid or any other Federally funded or aided program known to the HHA; (ii) The charges for services that will not be covered by Medicare; and (iii) The charges that the individual has to pay.

Therefore, while no notice may be required if the provider chooses to be liable, the conditions state a notice is required if the beneficiary is to be held liable, and must be delivered prior to the service in question. HHABNs can be used for this purpose.

2. Billing in Excess of the Benefit. In some states, the Medicaid program will cover more hours of care in a week than the Medicare benefit. Therefore, an HHA may be billing hours/visits in excess of the benefit during a Medicare home health episode for a dually eligible beneficiary. Since the care delivered in excess of the benefit is not part of the benefit, and does not affect the amount of Medicare's prospectively set payment, there is no dispute as to liability, and an HHABN is not required unless a triggering event occurs; that is, care in excess of the benefit is not a triggering event in and of itself requiring an HHABN. Billing services in excess of the benefit is discussed in C in this section.

3. One-Visit Episodes. Since intermittent skilled nursing care is a requirement of the Medicare home health benefit, questions often arise as to the billing of one-visit episodes. Medicare claims systems will process such billings, but these billings should only be done when some factor potentially justifies the medical necessity of the service relative to the benefit.

Many of these cases do not even need to be demand billed, because coverage is not in doubt, since physician orders called for delivery of the benefit. When the beneficiary dies after only one visit is a clear-cut example. When physician orders called for additional services, but the beneficiary died before more services could be delivered, the delivery of only one visit is covered. The death is clearly indicated on the claim with use of patient status code 20. Other cases in which orders clearly called for additional services, but circumstances prevented delivery of more than one service by the HHA, are also appropriately billed to Medicare in the same fashion.

There may be rare cases where, even though orders do not clearly indicate the need for additional services, the HHA feels delivery of the service is medically justified by Medicare's standard, and should be covered. In such situations, when doubt exists, an HHA should still give the beneficiary an HHABN if a triggering event has occurred, explaining Medicare may not cover the service, and then demand bill the service in question.

No billing is required when there is no dispute that the one service called for on the order does not meet the requirements for the Medicare home health benefit, or is not medically necessary. However, there are options for billing these non-covered services as discussed in Chapter 1 of this manual, Section 60. Note the COPs may require notification in this situation if the beneficiary is to be held liable, as discussed in 1. immediately above.

60 - No Payment Billing

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

No-Payment Billing and Receipt of Denial Notices Under HH PPS

Claims for homebound Medicare beneficiaries under a physician plan of care and electing fee-for-service coverage are reimbursed under HH PPS. Under HH PPS, home health agencies may continue to seek denials for entire claims from Medicare in cases where a provider knows all services will not be covered by Medicare. Such denials are usually sought because of the requirements of other payers for providers to obtain Medicare denial notices before they will consider providing additional payment. Such claims are often referred to as no-payment or no-pay bills, or denial notices.

A - Submission and Processing

In order to submit a no-payment bill to Medicare under HH PPS, providers must use TOB 3x0, and condition code 21. The statement dates on the claim should conform to the billing period they plan to submit to the other payer, insuring that no future date is reported. Providers must also key in the charge for each line item on the claim as a non-covered charge.

In order for these claims to process through the subsequent HH PPS edits in the system, providers are instructed to submit a 0023 revenue line and OASIS Matching Key on the claim. If no OASIS assessment was done, report the lowest weighted HIPPS code

(*IAFK1*) as a proxy and *the following* placeholder value for the OASIS Matching Key, “*11AA11AA11AAAAAAA*.”:

The claim must meet other minimum Medicare requirements for processing RAPs. If an OASIS assessment was done, the actual HIPPS code and Matching-Key output should be used. Medicare standard systems will bypass the edit that requires a matching RAP on history for these claims, then continue to process them as no-pay bills. Standard systems also ensure that a matching RAP has not been paid for that billing period.

B - Simultaneous Covered and Non-Covered Services

In some cases, providers may need to obtain a Medicare denial notice for non-covered services delivered in the same period as covered services that are part of an HH PPS episode. In such cases, the provider should submit a non-payment bill according to the instructions above for the non-covered services alone, AND submit the appropriate HH PPS RAP and claim for the episode. If the episode billed through the RAP and claim is 60 days in length, the period billed under the non-payment bill should be the same. Medicare standard systems and the CWF will allow such duplicate claims to process when all services on the claim are non-covered.

C - Custodial Care under HH PPS, or Termination of the Benefit during an Episode Period

In certain cases, CMS allows the use of no payment claims in association with an HHABN involving custodial care and termination of a benefit during an episode period. This does not apply to cases in which a determination is being requested as to the beneficiary’s homebound status at the beginning of an episode; there an HHABN must be used assuming a triggering event occurs (i.e., the initiation of completely noncovered care). However, in cases where the HH plan of care prescribes only custodial care, or if the benefit has terminated during a previous episode period, and the physician, beneficiary, and provider are all in agreement the benefit has terminated or does not apply, home health agencies (HHAs) can use:

1. The HHABN for notification of the beneficiary, using Option Box 1 language, with the beneficiary selecting the third checkbox indicating both services and billing is desired, and then also the following checkbox for Medicare billing on that notice, and,
2. A condition code 21 no-payment claim to bill all subsequent services.

NOTE: Providers can never pre-select HHABN options for beneficiaries, in accordance with existing liability notice policy. In each case, the beneficiary must be consulted as to the option they want to select. The HHABN options presented relative to specific billing scenarios above, and in the rest of the document, are only illustrations and in no way authorization for pre-empting a beneficiary’s right to choose a specific option.

70.1 - General

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Home health services billed on TOB 32X or 33X *are* reimbursed based on calculations made by the HH Pricer. The HH Pricer *is* a module within CMS' claims processing systems. The HH Pricer makes all payment calculations applicable under HH PPS, including percentage payments on requests for anticipated payment (RAPs), claim payments for full episodes of care, and all payment adjustments, including low utilization payment adjustments (LUPAs), partial episode payment (PEP) adjustments, therapy threshold adjustments, and outlier payments.

Medicare claims processing systems must send an input record to Pricer for all claims with covered visits, and Pricer will return an output record to the shared systems. The following *sections describe* the elements of HH PPS claims that are used in the HH PPS Pricer and the logic that is used to make payment determinations. No part of the Pricer logic is required to be incorporated into an HHA's billing system in order to bill Medicare. The following is presented for Medicare contractors and as information for the HHAs, in order to help HHAs understand their HH PPS payments and how they are determined.

70.4 - Decision Logic Used by the Pricer on Claims

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

The following calculations shall apply to claims with "From" dates on or after January 1, 2008.

On input records with TOB 329, 339, 327, 337, 32F, 33F, 32G, 33G, 32H, 33H, 32I, 33I, 32J, 33J, 32K, 33K, 32M, 33M, 32P, or 33P (that is, all provider submitted claims and provider or *contractor* initiated adjustments), Pricer will perform the following calculations in the numbered order.

Prior to these calculations, determine the applicable Federal standard episode rate to apply by reading the value in "INIT-PYMNT-INDICATOR." If the value is 0 or 1, use the full standard episode rate in subsequent calculations. If the value is 2 or 3, use the standard episode rate which has been reduced by 2% due to the failure of the provider to report required quality data.

1. Low Utilization Payment Adjustment (LUPA) calculation.
 - a. If the "REVENUE-SUM1-6-QTY-ALL" (the total of the 6 revenue code quantities, representing the total number of visits on the claim) is less than 5, read the national standard per visit rates for each of the six "REVENUE-QTY-COV-VISITS" fields from the revenue code table for

the Federal fiscal year in which the “SERV-THRU-DATE” falls. Multiply each quantity by the corresponding rate. Wage index adjust each value and report the payment in the associated “REVENUE-COST” field.

If the following conditions are met, calculate an additional LUPA add-on payment:

- *the dates in the “SERV-FROM-DATE” and “ADMIT-DATE” fields match*
- *the first position of the HIPPS code is a 1 or a 2*
- *the value in “LUPA-SRC-ADM” is not a B AND*
- *the value in “RECODE-IND” is not a 2.*

Wage index adjust the current LUPA add-on amount (published via Recurring Update Notification) and return this amount in the “LUPA-ADD-ON-PAYMENT” field.

Return the sum of all “REVENUE-COST” amounts in the “TOTAL-PAYMENT” field. If the LUPA payment includes LUPA add-on amount, return 14 in the “PAY-RTC” field. Otherwise, return 06 in the “PAY-RTC” field. These distinct return codes assist the shared systems in apportioning visit payments to claim lines. No further calculations are required.

- b. If “REVENUE-SUM1-6-QTY-ALL” is greater than or equal to 5, proceed to the recoding process in step 2.

2. Recoding of claims based on episode sequence and therapy thresholds.

- a. Read the “RECODE-IND.” If the value is 0, proceed to step c below.

If the value in “RECODE-IND” is 1, find the number of therapy services reported in “REVENUE - SUM 1-3-QTY-THR.” If the number of therapy services is in the range 0-13, recode the first position of the HIPPS code to 1. If the number of therapy services is in the range 14-19, recode the first position of the HIPPS code to 2.

If the value in “RECODE-IND” is 3, find the number of therapy services reported in “REVENUE - SUM 1-3-QTY-THR.” If the number of therapy services is in the range 0-13, recode the first position of the HIPPS code to 3. If the number of therapy services is in the range 14-19, recode the first position of the HIPPS code to 4.

- b. Read the alphabetic values in the “CLINICAL-SEV-EQ” field and “FUNCTION-SEV-EQ” field for which the number at the end of the field

names corresponds to the recoded first position of the HIPPS code determined in step a. Translate the alphabetic value from a hexavigesimal code to its corresponding numeric value. These are the severity scores in the clinical and functional domains of the case mix model under the payment equation that applies to the claim.

If the recoded first position of the HIPPS code is 1, use the numeric values for the clinical and functional severity levels and the number of therapy visits in the “REVENUE - SUM 1-3-QTY-THR” field to recode the 2nd, 3rd and 4th positions of the HIPPS code as follows.

- recode the 2nd position of the HIPPS code according to the table below:

Treatment Authorization Code position 11 – CLINICAL-SEV-EQ1 value	CLINICAL-SEV-EQ1 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
A thru D	0-4	C1 (Min)	A
E thru H	5-8	C2 (Low)	B
I +	9+	C3 (Mod)	C

- recode the 3rd position of the HIPPS code according to the table below:

Treatment Authorization Code position 12 – FUNCTION-SEV-EQ1 value	FUNCTION-SEV-EQ1 converted point value	Functional Severity Level	Resulting HRG - OUTPUT – CODE 3 rd position value
A thru E	0-5	F1 (Min)	F
F	6	F2 (Low)	G
G +	7+	F3 (Mod)	H

- change the 4th position of the HIPPS code according to the table below:

REVENUE - SUM 1-3-QTY- THR value	Resulting HRG - OUTPUT – CODE 4 th position value
0-5	K
6	L
7-9	M
10	N
11-13	P

If the recoded first position of the HIPPS code is 2, use the numeric values for the clinical and functional severity levels and the number of therapy visits in the “REVENUE - SUM 1-3-QTY-THR” field to recode the 2nd, 3rd and 4th positions of the HIPPS code as follows:

- recode the 2nd position of the HIPPS code according to the table below:

Treatment Authorization Code position 13 – CLINICAL-SEV-EQ2 value	CLINICAL-SEV-EQ2 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
A thru F	0-6	C1 (Min)	A
G thru N	7-14	C2 (Low)	B
O+	15+	C3 (Mod)	C

- recode the 3rd position of the HIPPS code according to the table below:

Treatment Authorization Code position 14 – FUNCTION-SEV-EQ2 value	FUNCTION-SEV-EQ2 converted point value	Functional Severity Level	Resulting HRG - OUTPUT – CODE 3 rd position value
A thru F	0-6	F1 (Min)	F
G	7	F2 (Low)	G
H +	8+	F3 (Mod)	H

- change the 4th position of the HIPPS code according to the table below:

REVENUE - SUM 1-3-QTY- THR value	Resulting HRG - OUTPUT – CODE 4 th position value
14-15	K
16-17	L
18-19	M

If the recoded first position of the HIPPS code is 3, use the numeric values for the clinical and functional severity levels and the number of therapy visits in the “REVENUE - SUM 1-3-QTY-THR” field to recode the 2nd, 3rd and 4th positions of the HIPPS code as follows:

- recode the 2nd position of the HIPPS code according to the table below:

Treatment Authorization Code position 15 – CLINICAL-SEV-EQ3 value	CLINICAL-SEV-EQ3 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
A thru B	0-2	C1 (Min)	A
C thru E	3-5	C2 (Low)	B
F+	6+	C3 (Mod)	C

- recode the 3rd position of the HIPPS code according to the table below:

Treatment Authorization Code position 16 – FUNCTION-SEV-EQ3 value	FUNCTION-SEV-EQ3 converted point value	Functional Severity Level	Resulting HRG - OUTPUT – CODE 3 rd position value
A thru H	0-8	F1 (Min)	F
I	9	F2 (Low)	G
J +	10+	F3 (Mod)	H

- change the 4th position of the HIPPS code according to the table below:

REVENUE - SUM 1-3-QTY- THR value	Resulting HRG - OUTPUT – CODE 4 th position value
0-5	K
6	L
7-9	M
10	N
11-13	P

If the recoded first position of the HIPPS code is 4, use the numeric values for the clinical and functional severity levels and the number of therapy visits in the “REVENUE - SUM 1-3-QTY-THR” field to recode the 2nd, 3rd and 4th positions of the HIPPS code as follows:

- recode the 2nd position of the HIPPS code according to the table below:

Treatment Authorization Code position 17 – CLINICAL-SEV-EQ4 value	CLINICAL-SEV-EQ4 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
A thru H	0-8	C1 (Min)	A
I thru P	9-16	C2 (Low)	B
Q+	17+	C3 (Mod)	C

- recode the 3rd position of the HIPPS code according to the table below:

Treatment Authorization Code position 18 – FUNCTION-SEV-EQ4 value	FUNCTION-SEV-EQ4 converted point value	Functional Severity Level	Resulting HRG - OUTPUT – CODE 3 rd position value
A thru G	0-7	F1 (Min)	F
H	8	F2 (Low)	G
I +	9+	F3 (Mod)	H

- change the 4th position of the HIPPS code according to the table below:

REVENUE - SUM 1-3-QTY- THR value	Resulting HRG - OUTPUT – CODE 4 th position value
14-15	K
16-17	L
18-19	M

Move the resulting recoded HIPPS code to the “HRG-OUTPUT-CODE” fields. Proceed to HRG payment calculations. Use the weights associated with the code in the “HRG-OUTPUT-CODE field for all further calculations.

- c. If the first position of the HIPPS code submitted in “HRG-INPUT-CODE” is a 5 and the number of therapy services in “REVENUE - SUM 1-3-QTY-THR” is less than 20, read the value in the “EPISODE-TIMING” field.

If the value in the “EPISODE-TIMING” field is a 1, and the number of therapy services is in the range 0-13, recode the first position of the HIPPS code to 1. If the number of therapy services is in the range 14-19, recode the first position of the HIPPS code to 2.

If the value in the “EPISODE-TIMING” field is a 2, and the number of therapy services is in the range 0-13, recode the first position of the HIPPS code to 3. If the number of therapy services is in the range 14-19, recode the first position of the HIPPS code to 4.

Return to step b and recode the remaining positions of the HIPPS code as described above.

- d. In all cases, read only the “REVENUE - SUM 1-3-QTY-THR” field and recode the 4th positions of the HIPPS code according to the table below, if possible:

HIPPS codes beginning with 1 or 3		HIPPS codes beginning with 2 or 4	
REVENUE - SUM 1-3- QTY-THR value	Resulting HRG - OUTPUT – CODE 4 th position value	REVENUE - SUM 1-3- QTY-THR value	Resulting HRG - OUTPUT – CODE 4 th position value
0-5	K	14-15	K
6	L	16-17	L
7-9	M	18-19	M
10	N		

11-13	P		
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Move the resulting recoded HIPPS code to the “HRG-OUTPUT-CODE” fields. Proceed to HRG payment calculations. Use the weights associated with the code in the “HRG-OUTPUT-CODE” field for all further calculations.

If the HIPPS code begins with 1 and the value in “REVENUE - SUM 1-3-QTY-THR” is greater than 13 and less than 20, change the first position of the HIPPS code to 2, and set the “RECODE-IND” to 1. Return to step b and recode the remaining positions of the HIPPS code as described above.

If the HIPPS code begins with 3 and the value in “REVENUE - SUM 1-3-QTY-THR” is greater than 13 and less than 20, change the first position of the HIPPS code to 4, and set the “RECODE-IND” to 3. Return to step b and recode the remaining positions of the HIPPS code as described above.

If the HIPPS code begins with 2 and the value in “REVENUE - SUM 1-3-QTY-THR” is less than 14, change the first position of the HIPPS code to 1, and set the “RECODE-IND” to 1. Return to step b and recode the remaining positions of the HIPPS code as described above.

If the HIPPS code begins with 4 and the value in “REVENUE - SUM 1-3-QTY-THR” is less than 14, change the first position of the HIPPS code to 3, and set the “RECODE-IND” to 3. Return to step b and recode the remaining positions of the HIPPS code as described above.

If the HIPPS code begins with 1 or 2 and the value in “REVENUE - SUM 1-3-QTY-THR” is 20 or more:

- change the first position of the HIPPS code to 5
- recode the 2nd position of the HIPPS code according to the table below:

Treatment Authorization Code position 13 – CLINICAL-SEV-EQ2 value	CLINICAL-SEV-EQ2 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
A thru G	0-7	C1 (Min)	A
H thru N	8-14	C2 (Low)	B
O +	15+	C3 (Mod)	C

- recode the 3rd position of the HIPPS code according to the table below:

Treatment Authorization Code position 14 – FUNCTION-SEV-EQ2 value	FUNCTION-SEV-EQ2 converted point value	Functional Severity Level	Resulting HRG - OUTPUT – CODE 3 rd position value
A thru F	0-6	F1 (Min)	F
G	7	F2 (Low)	G
H +	8+	F3 (Mod)	H

- change the 4th position of the HIPPS code to K.

If the HIPPS code begins with 3 or 4 and the value in “REVENUE - SUM 1-3-QTY-THR” is 20 or more:

- change the first position of the HIPPS code to 5
- recode the 2nd position of the HIPPS code according to the table below:

Treatment Authorization Code position 17 – CLINICAL-SEV-EQ4 value	CLINICAL-SEV-EQ4 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
A thru G	0-7	C1 (Min)	A
H thru N	8-14	C2 (Low)	B
O +	15+	C3 (Mod)	C

- recode the 3rd position of the HIPPS code according to the table below:

Treatment Authorization Code position 18 – FUNCTION-SEV-EQ4 value	FUNCTION-SEV-EQ4 converted point value	Functional Severity Level	Resulting HRG - OUTPUT – CODE 3 rd position value
A thru F	0-6	F1 (Min)	F
G	7	F2 (Low)	G
H +	8+	F3 (Mod)	H

- change the 4th position of the HIPPS code to K.

3. HRG payment calculations.

- If the “PEP-INDICATOR” is an N:

Find the weight for the first four positions of the “HRG-OUTPUT-CODE” from the weight table for the calendar year in which the “SERV-THRU-DATE” falls. Multiply the weight times the Federal standard episode rate

for the calendar year in which the “SERV-THRU-DATE” falls. The product is the case-mix adjusted rate. Multiply the case-mix adjusted rate by the current labor-related percentage (which is updated via Recurring Update Notifications, per section 70.5 below) to determine the labor portion. Multiply the labor portion by the wage index corresponding to “MSA1.” Multiply the case-mix adjusted rate by the current nonlabor-related percentage (which is updated via Recurring Update Notifications, per section 70.5 below) to determine the nonlabor portion. Sum the labor and nonlabor portions. The sum is the wage index and case-mix adjusted payment for this HRG.

Find the non-routine supply weight corresponding to the fifth positions of the “HRG-OUTPUT-CODE” from the supply weight table for the calendar year in which the “SERV-THRU-DATE” falls. Multiply the weight times the Federal supply conversion factor for the calendar year in which the “SERV-THRU-DATE” falls. The result is the case-mix adjusted payment for non-routine supplies.

Sum the payment results for both portions of the “HRG-OUTPUT-CODE” and proceed to the outlier calculation (see 4 below).

- b. If the “PEP-INDICATOR” is a Y:

Perform the calculation of the case-mix and wage index adjusted payment for the HRG and supply amounts, as above. Determine the proportion to be used to calculate this partial episode payment (PEP) by dividing the “PEP-DAYS” amount by 60. Multiply the case-mix and wage index adjusted payment by this proportion. The result is the PEP payment due on the claim. Proceed to the outlier calculation (4 below).

4. Outlier calculation:

- a. Wage index adjust the outlier fixed loss amount for the Federal fiscal year in which the “SERV-THRU-DATE” falls, using the MSA code in the “MSA1” field. Add the resulting wage index adjusted fixed loss amount to the total dollar amount resulting from all HRG payment calculations. This is the outlier threshold for the episode.
- b. For each quantity in the six “REVENUE-QTY-COV-VISITS” fields, read the national standard per visit rates from revenue code table for the Federal fiscal year in which the “SERV-THRU-DATE” falls. Multiply each quantity by the corresponding rate. Sum the six results and wage index adjust this sum as described above, using the MSA code in the “MSA1” field. The result is the wage index adjusted imputed cost for the episode.

- c. Subtract the outlier threshold for the episode from the imputed cost for the episode.
- d. If the result determined in step c is greater than \$0.00, calculate .80 times the result. This is the outlier payment amount.
- e. Determine whether the outlier payment is subject to the 10% annual limitation on outliers as follows:
 - i. Multiply the amount in the “PROV-PAYMENT-TOTAL” field by 10% to determine the HHA’s outlier limitation amount.
 - ii. Deduct the amount in the “PROV-OUTLIER-PAY-TOTAL” from the outlier limitation amount. This result is the available outlier pool for the HHA.
 - iii. If the available outlier pool is greater than or equal to the outlier payment amount calculated in step d, return the outlier payment amount in the “OUTLIER-PAYMENT” field. Add this amount to the total dollar amount resulting from all HRG payment calculations. Return the sum in the “TOTAL-PAYMENT” field, with return code 01.
 - iv. If the available outlier pool is less than the outlier payment amount calculated in step d, return no payment amount in the “OUTLIER-PAYMENT” field. Assign return code 02 to this record.
- f. If the result determined in step c is less than or equal to \$0.00, the total dollar amount resulting from all HRG payment calculations is the total payment for the episode. Return zeroes in the “OUTLIER-PAYMENT” field. Return the total of all HRG payment amounts in the “TOTAL-PAYMENT” field, with return code 00.

70.5 - Annual Updates to the HH Pricer

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Rate and weight information used by the HH Pricer is updated periodically, usually annually. Updates occur each January, to reflect the fact that HH PPS rates are effective for a calendar year. Updates may also occur at other points in the year when required by legislation. The following update items, when changed, are published in the Federal Register:

- The Federal standard episode amount;
- The Federal conversion factor for non-routine supplies;
- The fixed loss amount to be used for outlier calculations;

- A table of case-mix weights to be used for each HRG;
- A table of supply weights to be used to adjust the non-routine supply conversion factor;
- A table of national standardized per visit rates;
- The pre-floor, pre-reclassified hospital wage index; and
- Changes, if any, to the RAP payment percentages, the outlier loss-sharing percentage and the labor and nonlabor percentages.
- Whenever these update items change, Medicare also publishes a Recurring Update Notification to inform providers and contractors about the changes. These Recurring Update Notifications also describe how the changes will be implemented through the HH Pricer.

80 - Special Billing Situations Involving OASIS Assessments

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

Maintaining the link between payment episode periods and OASIS assessment periods is central to HH PPS. However, in some circumstances these periods may be difficult to synchronize. The following instructions provide guidance for some of the more common of these situations.

A - Changes in a Beneficiary's *Payment Source*

1. Payment Source Changes From MA Organization to Medicare Fee-For-Service (FFS)

If a Medicare beneficiary is covered under an MA Organization during a period of home care, and subsequently decides to change to Medicare FFS coverage, a new start of care OASIS assessment must be completed that reflects the date of the beneficiary's change to this pay source. This is required any time the payment source changes to Medicare FFS. With that assessment, a RAP may be sent to Medicare to open an HH PPS episode. HHAs are advised to verify the patient's payer source on a weekly basis when providing services to a patient with an MA Organization payer source to avoid the circumstance of not having an OASIS to generate a billing code for the RAP, or having the patient discharged without an OASIS assessment.

If a follow-up assessment is used to generate a new start of care assessment, CMS highly recommends, but does not require, a discharge OASIS assessment be done.

While this is not a requirement, conducting a "paper" discharge at the point where the patient's change in insurance coverage occurred will provide a clear endpoint to the

patient's episode of care for purposes of the individual HHA's outcome-based quality (*OBQI/OBQM/PBQM*) reports. Otherwise, that patient will not be included in the HHA's *quality measure* statistics. It will also keep that patient from appearing on the HHA's roster report (a report the HHS can access from your state's OASIS system that is helpful for tracking OASIS start of care and follow-up transmissions) when the patient is no longer subject to OASIS data collection.

In this case, OASIS item M0100 (Reason for Assessment) should be marked with Response 9 (Discharge from agency). OASIS item *M2420* (Discharge Disposition) should be marked with Response 2 (Patient remained in the community (*with formal assistive services*)). CMS realizes that the wording for M0100 and *M2420* is somewhat awkward in this situation; clinicians should note in their documentation that the agency will be continuing to provide services though the Medicare payment source has changed from an MA Organization to FFS.

In cases where the patient changes from MA coverage to FFS coverage, the patient's overall Medicare coverage is uninterrupted. This means an HH PPS episode may be billed beginning on the date of the patient's FFS coverage. Upon learning of the change in MA election, the HHA should submit a RAP using the date of the first visit provided after the FFS effective date as the episode "from" date, and using the OASIS assessment performed most recently after the change in election to produce a HIPPS code for that RAP.

The claims-OASIS matching key information should reflect this assessment. If a new start of care (SOC) OASIS assessment was not conducted at the time of the change in pay source, a correction to an existing OASIS assessment may be necessary to change the reported payer source and to complete the therapy item (*M2200*). The HHA should correct the existing OASIS assessment conducted most closely after the new FFS start date. If more than one episode has elapsed before the HHA learns of the change in payer source, this procedure can be applied to the additional episode(s). If the patient is still receiving services, the HHA must complete the routine follow-up OASIS assessments (RFA4) consistent with the new start of care date. In some cases, HHAs may need to inactivate previously transmitted assessments to reconcile the data collections with the new episode dates.

EXAMPLE: A patient has an SOC date of November 22, 2000 as a managed care patient. On December 15 the patient disenrolls from managed care and becomes a Medicare FFS patient, but the HHA was not notified. The HHA finds out about the disenrollment on February 1, 2001, when it bills the MA Organization. The HHA had conducted a follow-up OASIS assessment on January 19, *2011*, in keeping with the recertification assessment timing requirements. It did not, however, do an OASIS within 5 days of December 15. How does the HHA get paid under PPS for the services that were provided to this patient between December 15 and February 1?

The HHA should go to the January 19, *2011* OASIS assessment, use the information recorded there, and generate a new start of care assessment using the data from that

assessment. This new start of care assessment should reflect December 15 as the start of care date at item M0030 and should accurately reflect the therapy need at M0825 for the episode beginning December 15 in order to generate the HIPPS code for billing purposes. The date the assessment was completed (M0090) should reflect the original date, i.e., January 19, 2011. Timing warnings from the OASIS state system will be generated based on the difference between the start of care date and the date the assessment was completed (> 5 days), but these warnings are unavoidable in these situations and can be disregarded.

Since the January 19 assessment is no longer relevant to this episode, it can be inactivated according to the current policies for correcting OASIS records. The HHA would conduct a routine follow-up assessment (RFA4) based on the December 15 start of care date, that is between February 8 and February 12, 2011, and every 60 days from that point on if the patient continues care.

In the rare situation in which the HHA has not performed OASIS assessments on the patient while the patient was under MA coverage (as is required for all skilled need patients under OASIS regulations) and the patient has been discharged, the HHA may use their medical records to reconstruct the OASIS items needed to determine a HIPPS code applicable to the period of Medicare fee-for-service eligibility and coverage.

2. Payment Source Changes From FFS to MA Organization

In cases where the patient elects MA coverage during an HH PPS episode, the episode will end and be proportionally paid according its shortened length (a partial episode payment - PEP - adjustment). The MA Organization becomes the primary payer upon the MA enrollment date. The HHA may learn of the change after the fact, for instance, upon rejection of their claim by Medicare claims processing systems. The HHA must resubmit this claim indicating a transfer of payer source using patient status code "06," and reporting only the visits provided under the fee-for-service eligibility period. The claim through date and the last billable service must occur before the MA enrollment date. If the patient has elected to move from Medicare FFS to an MA Organization and is still receiving skilled services, the HHA should indicate the change in payer source on the OASIS at the next assessment time point.

3. Payment Source Changes Involving Medicaid

There may be cases where a patient eligible for both Medicare and Medicaid is receiving home health services covered under Medicaid and the patient experiences a change in status that allows their home health services to meet coverage criteria for Medicare FFS. In these cases, a new start of care OASIS assessment must be completed that reflects the date of the beneficiary's change to this pay source. This is required any time the payment source changes to Medicare FFS. With that assessment, a RAP may be sent to Medicare to open an HH PPS episode. The OASIS guidance provided above for changes from Medicare Advantage to Medicare FFS apply in this case also.

If a patient eligible for both Medicare and Medicaid is receiving home health services covered under Medicare FFS and ceases to meet Medicare coverage criteria, the patient should be discharged for Medicare purposes. Patient status code "06" should not be used. This discharge has no payment impact on the Medicare HH PPS episode. If the patient being discharged to Medicaid-only coverage is still receiving skilled services, the HHA should indicate the change in payer source on the OASIS at the next assessment time point.

B. Inpatient Hospital Stays On or Near Day 60/61 of Continuous Care Episodes

1. Beneficiary is in Hospital on Both Days 60 and 61

A beneficiary may be in the hospital for the entirety of both day 60 (the last day of one episode) and day 61 (the first day of the next episode of continuous care). In this case, HHAs must discharge the beneficiary from home care for Medicare billing purposes, because home care could not be provided until what would be, at the earliest, Day 62. There has been a gap in the delivery of home care between the two episodes and so the episodes cannot be billed as continuous care. The RAP for the episode beginning after the hospital discharge would be submitted with *Statement Covers Period "From" and "Through" dates* that reflect the first date of service provided after the hospital discharge. The RAP would also report a new admission date. The HIPPS code submitted on the RAP would reflect the OASIS assessment performed after the patient returned from the hospital. This OASIS assessment would also be reflected in the claims-OASIS matching key. This OASIS assessment would be submitted to the State Agency as a Start of Care assessment.

2. Beneficiary is Discharged From the Hospital on Day 60 or Day 61

A hospital discharge may occur on day 60 or day 61 and the HHA performs a Resumption of Care assessment which DOES NOT change the HIPPS code from a recertification assessment performed in the last 5 days (days 56-60) of the previous episode. In this case, the *two home health episodes* would be considered continuous. The RAP for the episode beginning after the hospital discharge would be submitted with *Statement Covers Period "From" and "Through" dates reflecting* day 61. The RAP would not report a new admission date. The HIPPS code submitted on the RAP would reflect the recertification OASIS assessment performed before the beneficiary's admission to the hospital. This OASIS assessment would also be reflected in the claims-OASIS matching key. This OASIS assessment would be submitted to the State Agency, as would the Resumption of Care assessment.

A hospital discharge may occur on day 60 or day 61 and the HHA performs a Resumption of Care assessment which DOES change the HIPPS code from a recertification assessment performed in the last 5 days (days 56-60) of the previous episode. In this case, *two home health episodes* would not be considered continuous and HHAs must discharge the beneficiary from home care for Medicare billing purposes. The RAP for the episode beginning after the hospital discharge would be submitted with *Statement*

Covers Period “From” and “Through” dates reflecting the first date of service provided after the hospital discharge. The RAP would also report a new admission date. The HIPPS code submitted on the RAP would reflect the OASIS assessment performed after the patient returned from the hospital. This OASIS assessment would also be reflected in the claims-OASIS matching key. This OASIS assessment would be changed to indicate a Start of Care assessment prior to submission to the State Agency.

3. Beneficiary is Admitted to Hospital on Day 61 Prior to Delivery of Services in the Episode

A beneficiary may be hospitalized in the first days of an episode, prior to receiving home health services in the new episode. These cases are handled for billing and OASIS identically to cases in which the beneficiary was discharged on days 60 or 61. If the HIPPS code resulting from the Resumption of Care OASIS assessment is the same as the HIPPS code resulting from the recertification assessment, the episode may be billed as continuous care. If the HIPPS code changes, the episode may not be billed as continuous care.

The basic principle underlying these examples is that the key to determining if episodes of care are considered continuous is whether or not services are provided in the later episode under the recertification assessment performed at the close of the earlier episode.

C. Patients for Whom OASIS Transmission to the State Agency is Not Allowed

Rare cases may arise in which an HHA provides Medicare-covered home health services to a beneficiary for whom an OASIS assessment is normally not required. Examples of this would be pediatric or maternity patients that are entitled to Medicare by their disability status. In these cases, an OASIS assessment must be performed on the patient exclusively in order to arrive at a HIPPS code to place on the RAP and the claim for the episode. This HIPPS code is necessary to serve as the basis of payment for the episode. However, do not transmit this OASIS assessment to the State Agency because it is not allowed by law.

Even though the OASIS assessment on which payment is based is not transmitted to the State, the RAP and claim must include a treatment authorization code. The value in the treatment authorization code is used to recode claims in cases where this is necessary. Claims for pediatric or maternity patients may be subject to recoding, so they must contain the accurate treatment authorization code output from the HH PPS Grouper in order to be processed. HHAs should in no way interpret this claims processing requirement to mean that these assessments should be transmitted to the State.

In all other respects, the RAP and claim for the episode should be identical to other HH PPS RAPs and claims.

90 - Medical and Other Health Services Not Covered Under the Plan of Care (Bill Type 34X)

(Rev. 2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

HHAs may submit claims for certain Part B medical and other health services for which the HHA may receive payment outside of the prospective payment system (See the Medicare Benefit Policy Manual, chapter 7).

A Patient Not Under A Home Health Plan Of Care

The HHA submits claims with type of bill (TOB) 34X to bill for certain Part B “medical and other health services” when there is no home health plan of care. Specifically the HHA may bill using TOB 34X for the following services. (There must be a physician’s certification on file.):

- Surgical dressings, splints, casts, and other devices used for reduction of fractures and dislocations. (See chapter 20 for billing enteral and parenteral supplies and equipment.)
- Rental or purchase of DME. (See chapter 20 for billing enteral and parenteral supplies and equipment.)
- Prosthetic devices. (See chapter 20 for billing enteral and parenteral supplies and equipment.)
- Leg, arm, back, and neck braces, trusses, and artificial legs, arms, and eyes.
- Outpatient physical therapy services. (See the Medicare Benefit Policy Manual, chapter 15 and the Medicare Claims Processing Manual, chapter 5.)
- Outpatient speech-language pathology services. (See the Medicare Benefit Policy Manual, chapter 15 and the Medicare Claims Processing Manual, chapter 5.)
- Outpatient occupational therapy services. (See the Medicare Benefit Policy Manual, chapter 15 and the Medicare Claims Processing Manual, chapter 5.)
- Diabetes Outpatient Self-Management Training (DSMT). (See the Medicare Benefit Policy Manual, chapter 15, section 300.5.1)
- *Bone Mass Measurements. (See the Medicare Claims Processing Manual, chapter 13, section 140.)*
- *Smoking and Tobacco-Use Cessation Counseling Services. (See the Medicare Claims Processing Manual, chapter 32, section 12.)*

Bills for services not under a home health plan of care should be submitted only after services are delivered. They should be submitted on a periodic basis, e.g., monthly, without regard to an episode of care. These items are not reimbursed under HH PPS.

B The Patient is Under a Home Health Plan of Care

If a patient is receiving home health services under a plan of care, the agency may bill for the following services on TOB 34X. All other services are home health services and should be billed as an HH PPS episode with Bill Type 32X.

- A covered osteoporosis drug, and
- Pneumococcal pneumonia, influenza virus, and hepatitis B vaccines.

DME, orthotic, and prosthetics can be billed as a home health service or as a medical and other health service on bill types 32X, 33X, and 34X as appropriate. *Alternately, these services may be provided to HH beneficiaries by a supplier. Refer to instructions in chapter 20 of this manual for submitting claims under arrangement with suppliers.*

C Billing Spanning Two Calendar Years

The agency should not submit a Part B medical and other health services bill (bill type 34X only) for an inclusive period beginning in 1 calendar year and extending into the next. If the agency does not bill on a calendar month basis, it prepares two bills. The first covers the period ending December 31 of the old year; the second, the period beginning January 1 of the new year. This permits the *contractor* to apply the appropriate deductible for both years. HH PPS claims (TOB 32X or 33X) may span the calendar year since they represent 60-day episodes, and episodes should be *paid based on the payment rates in effect in* the calendar year in which they end.

D Billing For Laboratory Services

HHAs may provide laboratory services only if issued a CLIA number and/or having a CLIA certificate of waiver. HHAs do not report laboratory services, even when on the HH plan of care, to a Medicare contractor using an institutional claim format. These services are *always* billed to Medicare contractors using a professional claim format. To submit such claims, the HHA must have a CLIA number and a professional billing number. HHAs should contact the State Survey Agency to obtain a CLIA number. HHAs should contact the appropriate contractor to obtain a billing number. The survey process is used to validate that laboratory services in an HHA facility are being provided in accordance with the CLIA certificate.

100 - Temporary Suspension of Home Health Services

(Rev.2230, Issued: 05-27-11, Effective: 08-28-11, Implementation: 08-28-11)

A physician may suspend visits for a time to determine whether the patient has recovered sufficiently to do without further home health services. When the suspension is temporary (does not extend beyond the end date of the 60-day episode) and the physician

later determines that the services must be resumed, the resumed services are paid as part of the same episode and under the same plan of care as before. The episode from date and the admission date remain the same as on the RAP. No special indication need be made on the episode claim for the period of suspended services. Explanation of the suspension need be indicated only in the medical record.

If the suspension extends beyond the end of the current 60-day episode, HHAs must submit a discharge claim for the episode. Full payment will be due for the episode. If the beneficiary resumes care, the HHA must establish a new plan of care and submit a RAP for a new episode. The admission date would match the episode from date, as the admission is under a new plan of care and care was not continuous.