

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2977	Date: June 20, 2014
	Change Request 8775

SUBJECT: Clarification of Billing Instructions Related to the Home Health Benefit

I. SUMMARY OF CHANGES: This Change Request updates Pub. 100-04 to specify the physician specialty codes that are excluded from home health consolidated billing, to make conforming changes related to the retirement of the home health advance beneficiary notice, and to make miscellaneous changes to conform term and code usage to national standards.

EFFECTIVE DATE September 23, 2014

ICD-10: Upon Implementation of ICD-10

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

IMPLEMENTATION DATE September 23, 2014

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Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	10/10/General Guidelines for Processing Home Health Agency (HHA) Claims
R	10/10.1.5.1/More Than One Agency Furnished Home Health Services
R	10/10.1.6/Split Percentage Payment of Episodes
R	10/10.1.10.1/Grouper Links Assessment and Payment
R	10/10.1.10.3/Submission of Request for Anticipated Payment (RAP)
R	10/10.1.10.4/Claim Submission and Processing
R	10/10.1.11/Payment, Claim Adjustments and Cancellations
R	10/10.1.17/Adjustments of Episode Payment - Low Utilization Payment Adjustments (LUPAs)
R	10/10.1.19.2/Adjustments of Episode Payment – Early or Later Episodes
R	10/10.1.21/Adjustments of Episode Payment - Outlier Payments
R	10/10.1.24/Glossary and Acronym List
R	10/20/Home Health Prospective Payment System (HH PPS) Consolidated Billing
R	10/20.2/Home health Consolidated Billing Edits in Medicare Systems

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	10/20.2.1/Nonroutine Supply Editing
R	10/20.2.2/Therapy Editing
R	10/20.2.3/Other Editing Related to Home Health Consolidated Billing
R	10/30.3/Timeliness and Limitations of CWF Responses
R	10/30.5/National Home Health Prospective Payment Episode History File
R	10/30.8/Other Editing for HH PPS Episodes
R	10/30.9/Coordination of HH PPS Claims Episodes With Inpatient Claim Types
R	10/40.1/Request for Anticipated Payment (RAP)
R	10/40.2/HH PPS Claims
R	10/40.4/Collection of Deductible and Coinsurance from Patient
R	10/40.5/Billing for Nonvisit Charges
R	10/50/Beneficiary-Driven Demand Billing Under HH PPS
R	10/60/No Payment Billing
R	10/70.1/General
R	10/70.2/Input/Output Record Layout
R	10/70.3/Decision Logic Used by the Pricer on RAPs
R	10/70.4/Decision Logic Used by the Pricer on Claims
R	10/90/Medical and Other Health Services Not Covered Under the Plan of Care (Type of Bill 034x)
R	10/90.1/Osteoporosis Injections as HHA Benefit
R	10/110/Billing and Payment Procedures Regarding Ownership and CMS Certification Numbers (CCNs)
R	10/110.1/Billing Procedures for an Agency Being Assigned Multiple CCNs or a Change in CCN
N	20/212/Home Health Consolidated Billing and Supplies Provided by DMEPOS Suppliers

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

Pub. 100-04	Transmittal: 2977	Date: June 20, 2014	Change Request: 8775
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I. GENERAL INFORMATION

A. Background: This Change Request makes a variety of small changes to Pub. 100-04, Medicare Claims Processing Manual. These changes fall into one of three categories.

Clarification to Home Health Consolidated Billing (HH CB) Instructions: In 2003, Change Request (CR) 2705 made changes to Medicare systems to bypass services from HH CB editing when provided by a physician. CR 2705 provided a list of physician specialty codes that are used in this bypass, but the list was never included in the Medicare Claims Processing Manual. This CR adds this list to the HH CB section of chapter 10. It also makes some wording clarifications to better reflect how Medicare system edits currently enforce HH CB. Finally, this CR adds a new section to chapter 20, directing suppliers affected by HH CB to chapter 10 for additional information.

Removal of References to the Home Health Advance Beneficiary Notice (HHABN): CR 8404 described the use of the Advance Beneficiary Notice of Noncoverage (ABN) as a replacement for the HH ABN. This CR makes conforming changes to chapter 10 to remove references to the HHABN.

Conforming to National Standards: This CR makes detail changes throughout many sections of chapter 10 to ensure that references to type of bill and revenue code values mirror the way these values are used in the National Uniform Billing Committee's Official UB-04 Data Specifications Manual. Additionally, one remittance advice code pair is updated to comply with CAQH CORE operating rules for code usage on remittance advices.

B. Policy: This Change Request contains no new policy.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			D M E	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8775.1	Medicare contractors shall ensure their staff and providers are aware of the updated manual sections	X	X	X	X					

Number	Requirement	Responsibility							
		A/B MAC		D M E M A C	Shared- System Maintainers				Other
		A	B		H H H	F I S S	M C S	V M S	
	included in this instruction.								
8775.2	Medicare contractors shall use claim adjustment reason code 97 when rejecting or denying claims due to home health consolidated billing.	X	X	X	X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
8775.3	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X	X	

IV. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
8775.2	Medicare contractors shall continue to use remittance advice remark code N70 when rejecting or denying claims due to home health consolidated billing.

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

V. CONTACTS

Pre-Implementation Contact(s): Wil Gehne, wilfried.gehne@cms.hhs.gov

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0

Medicare Claims Processing Manual

Chapter 10 - Home Health Agency Billing

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(Rev. 2977, Issued; 06-20-14)

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110 - Billing and Payment Procedures Regarding Ownership and *CMS Certification Numbers (CCNs)*

110.1 - Billing Procedures for an Agency Being Assigned Multiple *CCNs* or a Change in *CCN*

10 - General Guidelines for Processing Home Health Agency (HHA) Claims *(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)*

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 Pub. 100-02, Medicare Benefit Policy Manual, chapter 7.

A. Where and How to Bill

Institutional providers, including home health agencies, use one of two institutional claim formats to bill *Original* 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 *(TOB) 032x* 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 *034x*.

Other services not under an HH plan of care provided by an HHA are billed using type of bill *034x*. See §90 for guidance as to the payment methodologies used by Medicare to reimburse these services, and see §40.4 in this chapter for information on deductible and coinsurance.

10.1.5.1 - More Than One Agency Furnished Home Health Services

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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, *Medicare* 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.

10.1.6 - Split Percentage Payment of Episodes

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Medicare makes a split percentage payment for most HH PPS episode periods. *The first payment is* in response to a RAP, and the last in response to a claim. Added together, the first and last payment equal 100 percent of the permissible payment for the episode. There are two exceptions to split payment, the No-RAP LUPA, discussed in §§10.1.18 and 40.3 in this chapter, and the RAPs paying zero percent as discussed in §10.1.12 in this chapter.

There is a difference in the percentage split of *RAP* and final *claim* payments for initial and subsequent episodes for patients in continuous care. For all initial episodes, the percentage split for the two payments is 60 percent in response to the RAP, and 40 percent in response to the claim. *Initial episodes for the purpose of determining the RAP percentage are identified in claims processing by an admission date that matches the RAP's "From" date.* For all subsequent episodes in periods of continuous care, each of the two percentage payments is 50 percent of the estimated casemix adjusted episode payment.

10.1.10.1 - Grouper Links Assessment and Payment

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14, Implementation: 09-23-14) (Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Since 1999, HHAs have been required by Medicare to assess potential patients, and re-assess existing patients, using the OASIS (Outcome and Assessment Information Set) tool. OASIS is entered, formatted and locked for electronic transmission to State agencies. *To support OASIS transmission, Medicare makes HAVEN software publicly available.* However, some HHAs have chosen software vendors to create their own software applications for these purposes.

Grouper software determines the appropriate case-mix group for payment of a HH PPS 60-day episode from the results of an OASIS submission for a beneficiary. Grouper outputs:

- *case-mix groups as HIPPS (Health Insurance Prospective Payment System) codes.*
- *a Claims-OASIS Matching Key, linking the HIPPS code to a particular OASIS submission, and*
- *a Grouper Version Number that is not used in billing.*

Under HH PPS, both the HIPPS code and the Claims-OASIS Matching Key will be entered on RAPs and claims. Note that if an OASIS assessment is rejected upon transmission to a State Agency and consequently corrected resulting in a different HIPPS code, the RAP and/or claim for the episode must also be re-billed using the corrected HIPPS code.

10.1.10.3 - Submission of Request for Anticipated Payment (RAP)

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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 TOB 0322. 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. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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 TOB 0329. 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 the HH PPS claim, and this equipment will be paid in addition to the episode payment.

However, osteoporosis drugs must be billed separately on *TOB 034x* claims, even when an episode is open. Payment for *TOB 034x* is dependent upon the methodology *that applies to* the HCPCS code.

An HH PPS claim with TOB 0329 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.

10.1.11 - Payment, Claim Adjustments and Cancellations

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

A number of conditions can cause the episode payment or the RAP to be adjusted or cancelled.

The HHA must cancel a RAP sent in error. RAPs cannot be adjusted. They may be rebilled with appropriate information after cancellation. Type of bill 0328 is used for a cancel transaction, for both claims and RAPs.

Claims may be cancelled by HHAs or adjusted. Adjustments (TOB 0327) are used to correct information which may change payment. A cancellation is needed to change the beneficiary HICN or the HHA's provider number, if originally submitted incorrectly.

Adjustment claims may also be used to change information on a previously submitted claim (TOB 0327), which may also change payment. RAPs can only be canceled, not adjusted, but may be re-billed after cancellation.

10.1.17 - Adjustments of Episode Payment - Low Utilization Payment Adjustments (LUPAs)

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

If an HHA provides four visits or less in an episode, they will be paid a standardized per visit payment instead of an episode payment for a 60-day period. Such payment adjustments are called Low Utilization Payment Adjustments (LUPAs). On LUPA claims, nonroutine supplies will not be reimbursed in addition to the visit payments, since total annual supply payments are factored into all payment rates. Since HHAs in such cases are likely to have received one split percentage payment, which would likely be greater than the total LUPA payment, the difference between these wage-index adjusted per visit payments and the payment already received will be offset against future payments. If the claim for the LUPA is later adjusted such that the number of visits becomes five or more, payments will be adjusted to an episode basis, rather than a visit basis.

If the LUPA episode is the first episode in a sequence of adjacent episodes or is the only episode of care the beneficiary received, Medicare will make an additional add-on payment. For LUPA episodes *ending* on or after January 1, 2014, Medicare will add to these claims an amount calculated from a factor established in regulation. This additional payment will be reflected in the payment for the earliest dated revenue code line representing a home health visit for skilled nursing, physical therapy or speech-language pathology.

10.1.19.2 - Adjustments of Episode Payment – Early or Later Episodes

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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.

The 60-day period to determine a gap that will begin a new sequence of episodes is generally counted from the calculated 60-day end date of the episode. That is, in most cases Medicare systems will count from “day 60” of an episode without regard to an earlier discharge date in the episode. The exception is episodes subject to PEP adjustment. In PEP cases, Medicare systems will count 60 days from the date of the last billable home health visit provided in the PEP episode.

Any *Original* Medicare 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.

10.1.21 - Adjustments of Episode Payment - Outlier Payments

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

HH PPS payment groups are based on averages of home care experience. When cases “lie outside” expected experience by involving an unusually high level of services in 60-day periods, Medicare claims processing systems will provide extra or “outlier” payments in addition to the case-mix adjusted episode payment. Outlier payments can result from medically necessary high utilization in any or all of the service disciplines.

Outlier determinations shall be made by comparing the **total of the products** of:

- The number of visits of each discipline on the claim **and** each wage-adjusted national standardized per visit rate for each discipline; with
- The **sum** of the episode payment **and** a wage-adjusted standard fixed loss threshold amount.

If the total product of the number of the visits and the national standardized visit rates is greater than the case-mix specific payment amount plus the fixed loss threshold amount, a set percentage (the loss sharing ratio) of the amount by which the product exceeds the sum will be paid to the HHA as an outlier payment in addition to the episode.

Outlier payment amounts are wage index adjusted to reflect the CBSA in which the beneficiary was served. Outlier payments are to be made for specific episode claims. The outlier payment is a payment for an entire episode, and therefore carried only at the claim level in paid claim history; and not allocated to specific lines of the claim.

HHAs do not submit anything on their claims to be eligible for outlier consideration. The outlier payment shall be included in the total payment for the episode claim on a remittance, but it will be identified separately on the claim in history using value code 17 with an associated dollar amount representing the outlier payment.

Outlier payments will also appear on the electronic remittance advice in a separate segment. The term outlier has been used in the past by Medicare to address exceptional cases both in terms of cost and length of stay. While there is a cost outlier, there is no need for a long stay outlier payment for HH PPS, because the number of continuous episodes of care for eligible beneficiaries is unlimited.

Effective January 1, 2010, the outlier payments made to each HHA will be subject to an annual limitation. Medicare systems will ensure that outlier payments comprise no more than 10% of the HHA's total HH PPS payments for the year. Medicare systems will track both the total amount of HH PPS payments that each HHA has received and the total amount of outlier payments that each HHA has received. When each HH PPS claim is processed, Medicare systems will compare these two amounts and determine whether the 10% has currently been met.

If the limitation has not yet been met, any outlier amount shall be paid normally. (Partial outlier payments shall not be made. Only if the entire outlier payment on the claim does not result in the limitation being met, shall outlier payments be made for a particular claim.) If the limitation has been met or would be exceeded by the outlier amount calculated for the current claim, other HH PPS amounts for the episode shall be paid but any outlier amount shall not be paid. When the calculated outlier amount is not paid, HHAs will be alerted to this by the presence of the following codes on their remittance advice:

Group code CO: "Contractual Obligation"

Claim adjustment reason code B5: "Coverage/program guidelines were not met or were exceeded."

Remittance advice remark code N523: "The limitation on outlier payments defined by this payer for this service period has been met. The outlier payment otherwise applicable to this claim has not been paid."

Since the payment of subsequent claims may change whether an HHA has exceeded the limitation over the course of the timely filing period, Medicare systems will conduct a quarterly reconciliation process. All claims where an outlier amount was calculated but not paid when the claim was initially processed shall be reprocessed to determine whether the outlier has become payable. If the outlier can be paid, the claim shall be adjusted to increase the payment by the outlier amount. Additionally, if any HHAs are found to have been overpaid outlier during the quarterly reconciliation process, claims shall be adjusted to recover any excess payments.

These adjustments will appear on the HHA's remittance advice with a type of bill code that indicates a contractor-initiated adjustment (TOB *0321*) and the coding that typically identifies outlier payments. This quarterly reconciliation process occurs four times per year, in February, May, August and November.

10.1.24 - Glossary and Acronym List

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

ABN - Advance Beneficiary Notice of Non-Coverage

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.

CBSA - Core Based Statistical Area

CCN - CMS certification number

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

CLIA - Clinical Laboratory Improvement Amendments

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

CWF - Common Working File

DCN - Document Control Number

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.

DOEBA - Date of Earliest Billing Activity

DOLBA - Date of Latest Billing Activity

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)

HH PPS - Home Health Prospective Payment System

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

HICN - Health Insurance Claim Number

HIPAA - Health Insurance Portability and Accountability Act

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 prospective payment systems.

ICD - International Classification of Diseases

ICN - Internal Control Number

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 processing Medicare claims.

MSA - *Metropolitan Statistical Area*

National Standard Per Visit Rates - National rates for each *of the* 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

NUBC - *National Uniform Billing Committee*

OASIS - Outcome and Assessment Information Set. The HH patient assessment instrument.

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.

RA - *Remittance Advice*

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., *032x, 034x*). Coding representing the nature of each institutional claim (i.e., type of provider, such as home health; frequency of bill) - an “x” in the last digit of *the* TOB means that value can *vary* from 0-9.

20 - Home Health Prospective Payment System (HH PPS) Consolidated Billing
(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Section 1842 (b)(6)(F) of the Social Security Act requires consolidated billing of all home health services while a beneficiary is under a home health plan of care authorized by a physician. Consequently, Medicare *makes* payment for all such items and services to a single HHA overseeing that plan. This HHA is known as the primary HHA for HH PPS billing purposes.

The law states payment will be made to the primary HHA without regard as to whether or not the item or service was furnished by the agency, by others under arrangement to the primary agency, or when any other contracting or consulting arrangements exist with the primary agency, or “otherwise.” Payment for all items is included in the HH PPS episode payment the primary HHA receives.

Types of services that are subject to the home health consolidated billing provision:

- Skilled nursing care;
- Home health aide services;
- Physical therapy;
- Speech-language pathology;
- Occupational therapy;
- Medical social services;
- Routine and nonroutine medical supplies;
- Medical services provided by an intern or resident-in-training of a hospital, under an approved teaching program of the hospital, in the case of an HHA that is affiliated or under common control with that hospital; and
- Care for homebound patients involving equipment too cumbersome to take to the home.

Exception: Therapy services are not subject to the home health consolidated billing methodology when performed by a physician.

Medicare periodically publishes Recurring Update Notifications that contain updated lists of nonroutine supply codes and therapy codes that must be included in home health consolidated billing. *Medicare updates the lists* annually, effective January 1, as a result of *annual* changes in HCPCS codes, *unless the HCPCS changes do not affect home health services*. The lists may also be updated as frequently as quarterly if this is required by the creation of new HCPCS codes mid-year.

The HHA that submits a RAP or No-RAP LUPA claim successfully processed by Medicare claims processing systems will be recorded as the primary HHA for a given episode in the CWF. If a beneficiary transfers during a 60-day episode, then the transfer HHA that establishes the new plan of care assumes responsibility for consolidating billing for the beneficiary. Contractors will reject any claims from providers or suppliers other than the primary HHA that contain billing for the services and items subject to consolidated billing when billed for dates of service within an episode (see §20.2 for details).

Contractors will also reject claims subject to consolidated billing when submitted by the primary HHA as services not under an HH plan of care (using TOB *034x*) when the primary HHA has already billed other services under an HH plan of care (TOB *032x*) for the beneficiary. Institutional providers may access information on existing episodes through the home health CWF inquiry process. See §30.1.

Durable medical equipment is exempt from home health consolidated billing by law. Therefore, DME may be billed by a supplier or an HHA (including HHAs other than the primary HHA). Medicare claims processing systems will allow either party to submit DME claims, but will ensure that the same DME items are not submitted by multiple providers for the same dates of service for the same beneficiary. In the event of duplicate billing, the first claim received will be processed and paid. Subsequent duplicate claims will be denied. Medicare claims processing systems will also prevent payment for the purchase and the rental of the same item for the same dates of service. In this event, the first claim received, regardless of whether for purchase or rental, will be processed and paid.

The exception to the above, however, is competitive bidding for certain DME. HHAs that furnish DME and are located in an area where DME items are subject to a competitive bidding program, must either be awarded a contract to furnish the items in this area or use a contract supplier in the community to furnish these items. The competitive bidding items are identified by HCPCS codes and the competitive bidding areas are identified based on ZIP Codes where beneficiaries receiving these items maintain their permanent residence. Home health agency claims submitted for HCPCS codes subject to a competitive bidding program will be returned to the provider to remove the affected DME line items and the providers will be advised to submit those charges to the DME MACs, who will have jurisdiction over all claims for competitively bid items.

Osteoporosis drugs are subject to home health consolidated billing, even though these drugs continue to be paid on a cost basis in addition to episodes payments. For more detailed information, refer to §20.2.3 and §90.1.

20.2 - Home health Consolidated Billing Edits in Medicare Systems

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

In short, consolidated billing requires that only the primary HHA bill services under the home health benefit, with the exception of DME and therapy services provided by physicians, for the period of that episode. The types of service most affected are nonroutine supplies and outpatient therapies, since these services are routinely billed by providers other than HHAs, or are delivered by HHAs outside of plans of care.

Home health consolidated billing *edits are* applied when the episode claim has been received and processed in CWF. Edits are applied *differently depending on whether the HH patient was discharged/transferred at the end of the HH episode or not.*

If the patient was discharged or transferred, the edits apply to dates of service between the episode start date and the last billable service date for the episode. The start date and last service date are excluded.

If the patient is not discharged or transferred (patient status 30, "Still Patient"), the edits apply to dates of service between the episode start date and the episode end date. The episode start date is excluded but the episode end date is included.

If any line item services subject to consolidated billing are identified within these dates, CWF sends information to the contractors that enables them to reject or deny those line items.

Claims subject to consolidated billing may be identified in one of two ways. Claims may be edited when the HH PPS claim had been received before the claim for services subject to consolidated billing. In these cases, the line items subject to consolidated billing are rejected or denied prior to payment. Claims may also be identified when the HH PPS claim is received after the other claims subject to consolidated billing. In these cases, the claim for services subject to consolidated billing has already been paid. CWF then notifies the contractor to make a post-payment rejection or denial.

For post-payment rejections of claims billed on institutional claims, recoveries will be made automatically in the claims process. For post-payment rejections of claims billed on professional claims, those contractors will follow their routine overpayment identification and recovery procedures. In the event a denial is reversed upon appeal, an override procedure exists to permit payment to be made.

Whether a claim for services subject to consolidated billing is identified pre- or post-payment, messages explaining line-item actions for home health consolidated billing appear on remittance advice for providers and Medicare Summary Notices (MSNs) for beneficiaries.

Claims subject to home health consolidated billing receive the following remittance advice codes:

- *Claim Adjustment Reason Code 97: The benefit for this service is included in the payment/ allowance for another service/procedure that has already been adjudicated. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.*
- *Remittance Advice Remark Code N70: Consolidated billing and payment applies.*

Since home health consolidated billing is not an ABN situation, coding on incoming claims cannot allow Medicare systems to fully identify the payment liability for any denial. As described in §20.1, whether the denial is the liability of the primary HHA or the beneficiary is determined by whether the services are provided under arrangement and whether the beneficiary received notice of their potential liability. These denials are shown as provider liability on remittance advices (group code CO) to ensure therapy providers or suppliers explore whether a payment arrangement exists or can be made for the services. Despite this coding limitation, Medicare recognizes that ultimately beneficiaries may be liable for these services.

20.2.1 - Nonroutine Supply Editing

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

For home health consolidated billing, nonroutine medical supplies are identified as a list of discrete items by HCPCS code. Supplies are billed to DME MACs using the professional claim format, in which line items have both a 'from' and 'to' date. The line item 'from' date is used to enforce consolidated billing of nonroutine medical supplies.

Claims submitted by providers using the institutional claim format may include a nonroutine supply HCPCS code in addition to the other services provided. These supplies are either bundled into the rate paid for the primary service or are otherwise incident to the primary service(s) being rendered, therefore these supplies do not fall within the bundling provisions of HH PPS. As a result, supplies reported on institutional claims are not subject to consolidated billing edits by CWF.

20.2.2 - Therapy Editing

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

On claims submitted by providers using the institutional claim format, CWF enforces consolidated billing for outpatient therapies by recognizing as therapies all services billed under revenue codes 042x, 043x, 044x. These revenue codes are subject to consolidated billing when submitted on types of bill 013x, 023x, 034x, 074x, 075x or 085x.

On claims submitted by practitioners using the professional claim format, CWF enforces consolidated billing for outpatient therapies using a list of HCPCS codes which represent therapy services.

Therapy services on professional claims are not subject to the home health consolidated billing methodology when performed by a physician. Therefore, CWF bypasses the therapy edit if the HCPCS code is a therapy code subject to home health consolidated billing but the specialty code on the claim indicates a physician.

The following specialty codes indicate a physician for purposes of this edit:

<u>Code</u>	<u>Physician Specialty</u>
01	General Practice
02	General Surgery
03	Allergy/Immunology
04	Otolaryngology
05	Anesthesiology
06	Cardiology
07	Dermatology
08	Family Practice
09	Interventional Pain Management
10	Gastroenterology
11	Internal Medicine
12	Osteopathic Manipulative Therapy
13	Neurology
14	Neurosurgery
16	Obstetrics/Gynecology
18	Ophthalmology
19	Oral Surgery (dentists only)
20	Orthopedic Surgery
22	Pathology
24	Plastic and Reconstructive Surgery
25	Physical Medicine and Rehabilitation
26	Psychiatry
28	Colorectal Surgery (formerly proctology)
29	Pulmonary Disease
30	Diagnostic Radiology
33	Thoracic Surgery
34	Urology
35	Chiropractic

36	<i>Nuclear Medicine</i>
37	<i>Pediatric Medicine</i>
38	<i>Geriatric Medicine</i>
39	<i>Nephrology</i>
40	<i>Hand Surgery</i>
41	<i>Optometry</i>
44	<i>Infectious Disease</i>
46	<i>Endocrinology</i>
48	<i>Podiatry</i>
66	<i>Rheumatology</i>
70	<i>Single or Multispecialty Clinic or Group Practice</i>
72	<i>Pain Management</i>
76	<i>Peripheral Vascular Disease</i>
77	<i>Vascular Surgery</i>
78	<i>Cardiac Surgery</i>
79	<i>Addiction Medicine</i>
81	<i>Critical Care (Intensivists)</i>
82	<i>Hematology</i>
83	<i>Hematology/Oncology</i>
84	<i>Preventive Medicine</i>
85	<i>Maxillofacial Surgery</i>
86	<i>Neuropsychiatry</i>
90	<i>Medical Oncology</i>
91	<i>Surgical Oncology</i>
92	<i>Radiation Oncology</i>
93	<i>Emergency Medicine</i>
94	<i>Interventional Radiology</i>
98	<i>Gynecological/Oncology</i>
99	<i>Unknown Physician Specialty</i>

20.2.3 - Other Editing Related to Home Health Consolidated Billing

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

CWF edits to prevent duplicate billing across two Medicare contractors. Consequently, CWF must edit to ensure that all DME items billed by HHAs have a line-item date of service and HCPCS code, even though HH consolidated billing does not apply to DME by law.

If revenue code 0636 and the HCPCS code for an osteoporosis drug is billed on a *TOB 034x* claim during an open HH episode, CWF must edit to ensure that the provider of the *034x claim* is the same as the primary provider of the open episode, since by law consolidated billing must also be applied to the osteoporosis drug even though this item is paid outside of the episode payment. HH consolidated billing will not affect billing of DME or services outside the home health benefit, even when these services are billed by HHAs.

30.3 - Timeliness and Limitations of CWF Responses

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Inquirers receive a response within a very short time frame. However, these responses are not truly “real time.” The CWF auxiliary file that retains episode information is updated by, and is only as current as, each RAP or claim batch run in CWF. All processed RAPs and claims will update the episode file, even if RAPs have zero payment, or if claims or RAPs are ultimately denied. The *CWF* removes episodes from the file only when:

- HHAs cancel their own RAPs for episodes not yet closed;
- HHAs cancel their own claims, for closed episodes; or
- When a Medicare contractor processing HH claims cancels a claim or a RAP for specific reasons (i.e., fraud).

In general, responses will be as current as the previous day. Therefore, even when a response indicates a beneficiary is not currently in an episode, the possibility exists that a RAP or claim could be in process, and the inquiring agency would still not be the primary HHA for a beneficiary for whom a “clear” inquiry was received. In such cases, the inquiring agency will not learn that it is not the primary HHA immediately.

Also possible but even more rare, claims or RAPs from two different HHAs for the same beneficiary for the same date may be in the same batch of claims or RAPs sent to CWF. In such cases, the arbitrary claim process will still result in one of the two transactions being processed first and thereby deciding which of the two agencies will be primary.

30.5 - National Home Health Prospective Payment Episode History File

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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 HICN;

- The pertinent Contractor and *CMS Certification Number*;
- Period Start and End Dates - the start date is received on a 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;
- DOEBA and 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.

30.8 - Other Editing for HH PPS Episodes

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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.

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

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Claims for institutional inpatient services, that is inpatient hospital and skilled nursing facility (SNF) services, have priority over claims for home health services under HH PPS. Beneficiaries cannot be institutionalized and receive home care simultaneously.

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, Medicare systems will reject the HH claim. *This editing excludes:*

- *the inpatient claim admission date*
- *the inpatient claim discharge date,*
- *dates between the occurrence span code 74 ‘From’ date and the day following the occurrence span code ‘Through’ date.*

This *is also* 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.

40.1 - Request for Anticipated Payment (RAP)

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

The following data elements are required to submit a RAP 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 a RAP using the coding described below.

Each RAP must report a payment group represented by a HIPPS code. In general, a 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 a 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 *CMS Certification Number* to verify provider identity.

Patient Control Number

Required - The patient's control number *assigned by the HHA* for association and reference purposes.

Type of Bill

Required - This 4-digit alphanumeric code gives two pieces of information. The first three digits indicate the base type of bill. The fourth digit indicates the sequence of this bill in this particular episode of care. The type of bill accepted for HH PPS requests for anticipated payment is:

032x - Home Health Services under a Plan of Treatment

4th Digit	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 a 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.

NOTE: Type of bill 033x is no longer valid, effective October 1, 2013.

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 *0328*), the agency reports *a condition code indicating the appropriate claim change reason.*

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.

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

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

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

Medicare systems validate the length of the treatment authorization code and ensure that each position is in the correct format.

Document Control Number (DCN)

Required - If canceling a 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 *International Classification of Diseases* (ICD) code for the principal diagnosis. The code must be reported according to Official ICD Guidelines for Coding and Reporting, as required by the HIPAA.

The code must be the full diagnosis code, including all five digits *for ICD-9-CM or all seven digits for ICD-10-CM*, where applicable. Where the proper code has fewer than *the maximum number of digits*, the HHA does not fill it with zeros.

The principle diagnosis reported on the claim must match the primary diagnosis code reported on the OASIS form item M1020 (Primary Diagnosis). *Diagnosis codes in OASIS form M1024, which reports payment diagnoses, are not directly reported in any field of the claim form.*

Other Diagnoses Codes

Required - The HHA enters the full ICD 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.

Other diagnoses 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 Guidelines for Coding and Reporting. The sequence of codes should follow ICD 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 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 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. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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 a 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 RA so the net payment on the claim can be easily understood. Detailed RA information is contained in chapter 22 of this manual.

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 4-digit alphanumeric code gives two pieces of information. The first three digits indicate the base type of bill. The fourth digit indicates the sequence of this bill in this particular episode of care. The types of bill accepted for HH PPS requests for anticipated payment are:

032x - Home Health Services under a Plan of Treatment

4th Digit - 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 codes 7, or 8.

HHAs must submit HH PPS claims with the 4th digit of “9.” These claims may be adjusted with code “7” or cancelled with code “8.” Medicare contractors do not accept late charge bills, submitted with code “5,” on HH PPS claims. To add services within the period of a paid HH claim, the HHA must submit an adjustment.

NOTE: Type of bill 033x is no longer valid, effective October 1, 2013.

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

When submitting an 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 **0328**), 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 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

Code	Title	Definition
		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 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, 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, 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 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 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>NOTE: Revenue Codes 0275 through 0278 are not used for Medicare billing on HH PPS types of bills</p>
042x	<p>Physical Therapy</p> <p>Required detail: One of the physical therapy HCPCS codes defined below in the instructions for the HCPCS code field, 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: One of the occupational therapy HCPCS codes defined below in the instructions for the HCPCS code field, 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: One of the speech-language pathology HCPCS codes defined below in the instructions for the HCPCS code field, 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: One of the skilled nursing HCPCS codes defined below in the instructions for the HCPCS code field, 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: The medical social services HCPCS code defined below in the instructions for the HCPCS code field, 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: The home health aide HCPCS code defined below in the instructions for the HCPCS code field, the date of service, service units which represent the number of 15 minute increments that comprised the visit, and a charge amount.</p>
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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 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 of this manual.

0274	<p>Prosthetic/Orthotic Devices</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>
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>Revenue code 0294 is used to bill drugs/supplies for the effective use of DME.</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 *Medicare's* 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.

Medicare may change the HIPPS used for payment of the claim in the course of claims processing, but the HIPPS code submitted by the provider in this field is never changed or replaced. If the HIPPS code is changed, the code used for payment is recorded in the APC-HIPPS field of the electronic claim record.

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 a visit by 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 codes to represent a visit by 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.

Note that modifiers indicating services delivered under a therapy plan of care (modifiers GN, GO or GP) are not required on HH PPS claims.

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, Medicare 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 that 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.

For episodes beginning on or after July 1, 2013, HHAs must report where home health services were provided. The following codes are used for this reporting:

Q5001: Hospice or home health care provided in patient's home/residence

Q5002: Hospice or home health care provided in assisted living facility

Q5009: Hospice or home health care provided in place not otherwise specified

The location where services were provided must always be reported along with the first billable visit in an HH PPS episode. In addition to reporting a visit line using the G codes as described above, HHAs must report an additional line item with the same revenue code and date of service, reporting one of the three Q codes (Q5001, Q5002, and Q5009), one unit and a nominal covered charge (e.g., a penny). If the location where services were

provided changes during the episode, the new location should be reported with an additional line corresponding to the first visit provided in the new location.

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. 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.

When the claim Admission Date matches the Statement Covers "From" Date, Medicare systems ensure that the Service Date on the 0023 revenue code line also matches these dates.

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 must contain zero).

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 HHA reports the total non-covered charges pertaining to the related revenue code here. Examples of non-covered charges on HH PPS claims may include:

- Visits provided exclusively to perform OASIS assessments
- Visits provided exclusively for supervisory or administrative purposes
- Therapy visits provided prior to the required re-assessments

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.

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

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

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.

Medicare systems validate the length of the treatment authorization code and ensure that each position is in the correct format.

Document Control Number (DCN)

Required - If submitting an adjustment (TOB *0327*) 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 code for the principal diagnosis. The code must be reported according to Official ICD Guidelines for Coding and Reporting, as required by the HIPAA. The code must be the full diagnosis code, including all five digits *for ICD-9-CM or all seven digits for ICD-10 CM* where applicable. Where the proper code has fewer than *the maximum number of* digits, the HHA does not fill it with zeros.

The ICD 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 *diagnosis* codes for 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 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 Guidelines for Coding and Reporting. The sequence of codes should follow ICD 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 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 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 who 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. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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

Type of Bill	Rule
Patient Under Home Health Plan of Care <i>(Type of Bill 032x)</i>	No deductible applicable; and No coinsurance applicable Exception: Coinsurance applies on DME

	and orthotic/prosthetic claims.
Patient Not Under HH Plan of Care, Part B Medical and Other Health Services and Osteoporosis Injections (<i>Type of Bill 034x</i>)	Deductible applies; and Coinsurance applies Exception: Deductible and coinsurance may be waived for certain preventive services (see chapter 18)

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.

40.5 - Billing for Nonvisit Charges

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Under HH PPS all services under a plan of care must be billed as an HH PPS episode. All services within an episode of care must be billed on one claim for the entire episode. Medicare contractors do not accept **TOB 0329** without any visit charges.

Non-visit charges incurred after termination of the plan of care are payable *from the Part B trust fund* on **TOB 034x**.

50 - Beneficiary-Driven Demand Billing Under HH PPS

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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 *an Advance Beneficiary Notice of Noncoverage* (ABN), which also must be signed by the beneficiary or appropriate representative. Instructions for the ABN are found in chapter 30 of this manual.

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 ABN 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 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 *032x*; 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

Medicare requests that HHAs submit demand bills promptly. Timely filing requirements were not changed by HH PPS (see chapter 1 for information on timely filing). *Medicare* 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 *0329*, 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 TOB *0320*). When such claims also serve as demand bills, the following information must **also** be provided: condition code "20" and the services in dispute shown as noncovered 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 *0327*, may also be submitted but must have been preceded by the submission of a TOB *0329* 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.

Cases may also arise in which a State Medicaid program requests the demand bill on the beneficiary's behalf regarding services which have been billed to Medicaid. In these cases, the dates of service for which the State requests the demand bill may not correspond exactly to the episode periods billed to Medicare. These cases require special instructions:

Request begins during non-Medicare episode:

A Medicare-Medicaid dually-eligible patient may be admitted to home care with the expectation that no services will be billed to Medicare. Later, the State may request demand bills beginning during the course of that episode. This may occur when requests correspond to a calendar year. For example, the patient may be admitted in December and the request for demand bills is effective January 1. In this case, the HHA should submit a demand bill to Medicare with episode dates corresponding to the OASIS assessment that began in December. All services in the episode should be submitted as non-covered line items. As with any demand bill, condition code 20 should be reported on this claim.

Request applies to services immediately following Medicare discharge:

A dually-eligible patient may be discharged from Medicare home health services before the end of a 60-day episode due to the patient meeting their treatment goals. The patient may remain under the care of the HHA receiving services billed to Medicaid. States may vary in their requirements for a new Start of Care OASIS assessment in these cases.

If the State requesting a demand bill for the services within the original Medicare 60-day episode does not require a new OASIS assessment, the HHA should submit an adjustment to their previously paid Medicare claim, using TOB **0327**. The HHA should add condition code 20 to the adjustment claim, change the statement "Through" date to reflect the full 60-day period and add the services provided during the demand bill request period as non-covered line items. The HHA should then submit claims with condition code 20 and all non-covered line items for any episodes of continuous care within the demand bill request period.

If the State requesting a demand bill for the services within the original Medicare 60-day episode requires a new OASIS assessment, the HHA should submit RAPs and submit claims with condition code 20 as they would for any other demand bill situation. When Medicare receives the RAP for the demand billed episode it will cause a PEP adjustment to apply to the prior episode. Medicare cannot presume that the demand billed episode will or will not be covered based on the RAP. If the final claim for the demand billed episode is later reviewed and found to be entirely non-covered, Medicare systems will automatically adjust the prior episode to restore the appropriate full episode payment.

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 a change in the payment group for the episode - 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 an episode that received a PEP 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 ABN 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, *Medicare* providers must be in compliance with the home health Conditions of Participation (COPs), as follows:

42 CFR 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. ABNs 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 ABN 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 ABN. 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 ABN 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, section 60 of this manual. Note the COPs may require notification in this situation if the beneficiary is to be held liable, as discussed in number 1, immediately above.

60 - No Payment Billing

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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 *0320*, 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 (1AFK1) as a proxy and the following placeholder value for the OASIS Matching Key, "11AA11AA11AAAAAAAAA.":

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, *Medicare* allows the use of no payment claims in association with an ABN 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 ABN 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 ABN for notification of the beneficiary, and,
2. A condition code 21 no-payment claim to bill all subsequent services.

NOTE: Providers can never pre-select ABN options for beneficiaries, in accordance with existing liability notice policy. In each case, the beneficiary must *select* the option *of his/her own choice*. *HHAs are permitted to direct dual eligible beneficiaries to select Option 1 on the ABN so that a Medicare claim is filed*. The ABN 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. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Home health services billed on TOB *032x* are reimbursed based on calculations made by the HH Pricer. The HH Pricer is a module within *Medicare* claims processing systems. The HH Pricer makes all payment calculations applicable under HH PPS, including percentage payments on RAPs, claim payments for full episodes of care, and all payment adjustments, including low utilization payment adjustments (LUPAs), 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.

70.2 - Input/Output Record Layout

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

The required data and format *for the HH Pricer input/output record* are shown below:

File Position	Format	Title	Description
1-10	X(10)	NPI	This field will be used for the National Provider Identifier if it is sent to the HH Pricer in the future.
11-22	X(12)	HIC	Input item: The Health Insurance Claim number of the beneficiary, copied from the claim form.
23-28	X(6)	PROV-NO	Input item: The six-digit CMS certification number, copied from the claim form.
29-31	X(3)	TOB	Input item: The type of bill code, copied from the claim form.
32	X	PEP-INDICATOR	Input item: A single Y/N character to indicate if a claim must be paid a partial episode payment (PEP) adjustment. Medicare claims processing systems must set a Y if the patient discharge status code of the claim is 06. An N is set in all other cases.
33-35	9(3)	PEP-DAYS	Input item: The number of days to be used for PEP payment calculation. Medicare claims processing systems determine this number by the span of days from and including the first line item service date on the claim to and including the last line item service date on the claim.
36	X	INIT-PAY-INDICATOR	Input item: A single character to indicate if normal percentage payments should be made on RAP or whether payment should be based on data drawn by the Medicare claims processing systems from field 19 of the provider specific file. Valid values: 0 = Make normal percentage payment 1 = Pay 0% 2 = Make final payment reduced by 2% 3 = Make final payment reduced by 2%, pay RAPs at 0%
37-46	X(9)	FILLER	Blank.
47-50	X(5)	CBSA	Input item: The core based statistical area (CBSA) code, copied from the value code 61 amount on the claim form.
51-52	X(2)	FILLER	Blank.
53-60	X(8)	SERV-FROM-DATE	Input item: The statement covers period "From" date, copied from the claim form. Date format

File Position	Format	Title	Description
			must be CCYYMMDD.
61-68	X(8)	SERV-THRU DATE	Input item: The statement covers period “through” date, copied from the claim form. Date format must be CCYYMMDD.
69-76	X(8)	ADMIT-DATE	Input item: The admission date, copied from claim form. Date format must be CCYYMMDD.
77	X	HRG-MED - REVIEW - INDICATOR	Input item: A single Y/N character to indicate if a HIPPS code has been changed by medical review. Medicare claims processing systems must set a Y if an ANSI code on the line item indicates a medical review change. An N must be set in all other cases.
78-82	X(5)	HRG-INPUT-CODE	Input item: Medicare claims processing systems must copy the HIPPS code reported by the provider on each 0023 revenue code line. If an ANSI code on the line item indicates a medical review change, Medicare claims processing systems must copy the additional HIPPS code placed on the 0023 revenue code line by the medical reviewer.
83-87	X(5)	HRG - OUTPUT - CODE	Output item: The HIPPS code used by the Pricer to determine the payment amount on the claim. This code will match the input code unless the claim is recoded due to therapy thresholds or changes in episode sequence. <i>If recoded, the Medicare claims processing system stores this output item in the APC-HIPPS field on the claim record.</i>
88-90	9(3)	HRG-NO-OF - DAYS	Input item: A number of days calculated by the shared systems for each HIPPS code. The number is determined by the span of days from and including the first line item service date provided under that HIPPS code to and including the last line item service date provided under that HIPPS code.
91-96	9(2)V9(4)	HRG-WGTS	Output item: The weight used by the Pricer to determine the payment amount on the claim.
97-105	9(7)V9(2)	HRG-PAY	Output item: The payment amount calculated by the Pricer for each HIPPS code on the claim.
106-250	Defined above	Additional HRG data	Fields for five more occurrences of all HRG/HIPPS code related fields defined above. Not used.
251-254	X(4)	REVENUE - CODE	Input item: One of the six home health discipline revenue codes (042x, 043x, 044x, 055x, 056x, 057x). All six revenue codes must be passed by the Medicare claims processing systems even if the revenue codes are not present on the claim.
255-257	9(3)	REVENUE-QTY - COV-	Input item: A quantity of covered visits corresponding to each of the six revenue codes.

File Position	Format	Title	Description
		VISITS	Medicare claims processing systems must count the number of covered visits in each discipline on the claim. If the revenue codes are not present on the claim, a zero must be passed with the revenue code.
258-265	9(8)	REVENUE- EARLIEST- DATE	Input item: The earliest line item date for the corresponding revenue code. Date format must be CCYYMMDD.
266-274	9(7)V9(2)	REVENUE - DOLL-RATE	Output item: The dollar rates used by the Pricer to calculate the payment for the visits in each discipline if the claim is paid as a LUPA. Otherwise, the dollar rates used by the Pricer to impute the costs of the claim for purposes of calculating an outlier payment, if any.
275-283	9(7)V9(2)	REVENUE - COST	Output item: The dollar amount determined by the Pricer to be the payment for the visits in each discipline if the claim is paid as a LUPA. Otherwise, the dollar amounts used by the Pricer to impute the costs of the claim for purposes of calculating an outlier payment, if any.
284-292	9(7)V9(2)	REVENUE- ADD-ON- VISIT-AMT	Output item: The add-on amount to be applied to the earliest line item date with the corresponding revenue code. If revenue code 055x, then this is the national per-visit amount multiplied by 1.8714. If revenue code 042x, then this is the national per-visit amount multiplied by 1.6841. If revenue code 044x, then this is the national per-visit amount multiplied by 1.6293.
293-502	Defined above	Additional REVENUE data	Five more occurrences of all REVENUE related data defined above.
503-504	9(2)	PAY-RTC	Output item: A return code set by Pricer to define the payment circumstances of the claim or an error in input data.
			Payment return codes:
			00 Final payment where no outlier applies
			01 Final payment where outlier applies
			02 Final payment where outlier applies, but is not payable due to limitation.
			03 Initial percentage payment, 0%
			04 Initial percentage payment, 50%
			05 Initial percentage payment, 60%
			06 LUPA payment only
			07 Not used.
			08 Not used.

File Position	Format	Title	Description
			09 Final payment, PEP
			11 Final payment, PEP with outlier
			12 Not used.
			13 Not used.
			14 LUPA payment, 1 st episode add-on payment applies
			Error return codes:
			10 Invalid TOB
			15 Invalid PEP days
			16 Invalid HRG days, greater than 60
			20 PEP indicator invalid
			25 Med review indicator invalid
			30 Invalid MSA/CBSA code
			35 Invalid Initial Payment Indicator
			40 Dates before Oct 1, 2000 or invalid
			70 Invalid HRG code
			75 No HRG present in 1st occurrence
			80 Invalid revenue code
			85 No revenue code present on 3x9 or adjustment TOB
505-509	9(5)	REVENUE - SUM 1-3-QTY-THR	Output item: The total therapy visits used by the Pricer to determine if the therapy threshold was met for the claim. This amount will be the total of the covered visit quantities input in association with revenue codes 042x, 043x, and 044x.
510-514	9(5)	REVENUE - SUM 1-6-QTY-ALL	Output item: The total number of visits used by the Pricer to determine if the claim must be paid as a LUPA. This amount will be the total of all the covered visit quantities input with all six HH discipline revenue codes.
515-523	9(7)V9(2)	OUTLIER - PAYMENT	Output item: The outlier payment amount determined by the Pricer to be due on the claim in addition to any HRG payment amounts.
524-532	9(7)V9(2)	TOTAL - PAYMENT	Output item: The total payment determined by the Pricer to be due on the RAP or claim.
533-541	9(3)V9(2)	LUPA-ADD-ON-PAYMENT	Output item: For claim "Through" dates before January 1, 2014, the add-on amount to be paid for LUPA claims that are the first episode in a sequence. This amount is added by the Shared System to the payment for the first visit line on the claim. For claim "Through" dates on or after January 1, 2014, zero filled.
542	X	<i>LUPA-SRC-ADM</i>	Input Item: Medicare systems <i>set this indicator to 'B' when condition code 47 is present on the RAP or claim. The indicator is set to '1' in all other cases.</i>
543	X	<i>RECODE-IND</i>	<i>Input Item: A recoding indicator set by Medicare claims processing systems in response to the</i>

File Position	Format	Title	Description
			<p><i>Common Working File identifying that the episode sequence reported in the first position of the HIPPS code must be changed. Valid values:</i></p> <p><i>0 = default value</i></p> <p><i>1 = HIPPS code shows later episode, should be early episode</i></p> <p><i>2 = HIPPS code shows early episode, but this is not a first or only episode</i></p> <p><i>3 = HIPPS code shows early episode, should be later episode</i></p>
544	9	<i>EPISODE-TIMING</i>	<p><i>Input item: A code indicating whether a claim is an early or late episode. Medicare systems copy this code from the 10th position of the treatment authorization code. Valid values:</i></p> <p><i>1 = early episode</i></p> <p><i>2 = late episode</i></p>
545	X	<i>CLINICAL-SEV-EQ1</i>	<p><i>Input item: A hexavigesimal code that converts to a number representing the clinical score for this patient calculated under equation 1 of the case-mix system. Medicare systems copy this code from the 11th position of the treatment authorization code.</i></p>
546	X	FUNCTION-SEV-EQ1	<p>Input item: A hexavigesimal code that converts to a number representing the functional score for this patient calculated under equation 1 of the case-mix system. Medicare systems copy this code from the 12th position of the treatment authorization code.</p>
547	X	<i>CLINICAL-SEV-EQ2</i>	<p>Input item: A hexavigesimal code that converts to a number representing the clinical score for this patient calculated under equation 2 of the case-mix system. Medicare systems copy this code from the 13th position of the treatment authorization code.</p>
548	X	FUNCTION-SEV-EQ2	<p>Input item: A hexavigesimal code that converts to a number representing the functional score for this patient calculated under equation 2 of the case-mix system. Medicare systems copy this code from the 14th position of the treatment authorization code.</p>
549	X	<i>CLINICAL-SEV-EQ3</i>	<p><i>Input item: A hexavigesimal code that converts to a number representing the clinical score for this patient calculated under equation 3 of the case-mix system. Medicare systems copy this code from</i></p>

File Position	Format	Title	Description
			<i>the 15th position of the treatment authorization code.</i>
550	X	<i>FUNCTION-SEV-EQ3</i>	<i>Input item: A hexavigesimal code that converts to a number representing the functional score for this patient calculated under equation 3 of the case-mix system. Medicare systems copy this code from the 16th position of the treatment authorization code.</i>
551	X	<i>CLINICAL-SEV-EQ4</i>	<i>Input item: A hexavigesimal code that converts to a number representing the clinical score for this patient calculated under equation 4 of the case-mix system. Medicare systems copy this code from the 17th position of the treatment authorization code.</i>
552	X	<i>FUNCTION-SEV-EQ4</i>	<i>Input item: A hexavigesimal code that converts to a number representing the functional score for this patient calculated under equation 4 of the case-mix system. Medicare systems copy this code from the 18th position of the treatment authorization code.</i>
553-562	9(8)V99	<i>PROV-OUTLIER-PAY-TOTAL</i>	<i>Input item: The total amount of outlier payments that have been made to this HHA for episodes ending during the current calendar year.</i>
563-572	9(9)V99	<i>PROV-PAYMENT-TOTAL</i>	<i>Input item: The total amount of HH PPS payments that have been made to this HHA for episodes ending during the current calendar year.</i>
573-600	X(27)	FILLER	

Input records on RAPs will include all input items except for “REVENUE” related items. Input records on claims must include all input items. Output records will contain all input and output items. If an output item does not apply to a particular record, Pricer will return zeroes.

The Medicare claims processing system will move the following Pricer output items to the claim record. The return code will be placed in the claim header. The HRG-PAY amount for the HIPPS code will be placed in the total charges and the covered charges field of the revenue code 0023 line. The OUTLIER-PAYMENT amount, if any, will be placed in a value code 17 amount. If the return code is 06 (indicating a low utilization payment adjustment), the Medicare claims processing system will apportion the REVENUE-COST amounts to the appropriate line items in order for the per-visit payments to be accurately reflected on the remittance advice. If the return code is 14, the Medicare claims processing system will apply the H-HHA-REVENUE-ADD-ON-VISIT-AMT to the earliest line item with the corresponding revenue code.

Output item: The add-on amount to be applied to the earliest line item date with the corresponding revenue code.

If revenue code 055x, then this is the national per-visit amount multiplied by 1.8451.

If revenue code 042x, then this is the national per-visit amount multiplied by 1.6700.

If revenue code 044x, then this is the national per-visit amount multiplied by 1.6266.

70.3 - Decision Logic Used by the Pricer on RAPs

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

On input records with TOB 322, Pricer will perform the following calculations in the numbered order:

1. 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.
2. Find weight for “HRG-INPUT-CODE” from the table of weights for the Federal fiscal year in which the “SERV-THRU-DATE” falls. Multiply the weight times Federal standard episode rate for the Federal fiscal year in which the “SERV-THRU-DATE” falls. The product is the case-mix adjusted rate. This case-mix adjusted rate must also be wage-index adjusted according to labor and nonlabor portions of the payment. 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 “CBSA” (The current hospital wage index, pre-floor and pre-reclassification, will be used). Multiply the Federal adjusted rate by the current non-labor-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 case-mix and wage index adjusted payment for this HRG.

Find the non-routine supply weight corresponding to the fifth positions of the “HRG-INPUT-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 HRG payment and non-routine supply payment.

3. a. If the “INIT-PYMNT-INDICATOR” equals 0 or 2, perform the following:

Determine if the “SERV-FROM-DATE” of the record is equal to the “ADMITDATE.” If yes, multiply the wage index and case-mix adjusted payment by .6. Return the resulting amount as “HRG-PAY” and as “TOTAL-PAYMENT” with return code 05.

If no, multiply the wage index and case-mix adjusted payment by .5. Return the resulting amount as “HRG-PAY” and as “TOTAL-PAYMENT” with return code 04.

- b. If the “INIT-PYMNT-INDICATOR” = 1 or 3, perform the following:

Multiply the wage index and case-mix adjusted payment by 0. Return the resulting amount as “HRG-PAY” and as “TOTAL-PAYMENT” with return code 03.

70.4 - Decision Logic Used by the Pricer on Claims

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

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

On input records with TOB 329, 327, 32F, 32G, 32H, 32I, 32J, 32K, 32M *or* 32P (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		

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-	CLINICAL-SEV-EQ4 converted point value	Clinical Severity Level	Resulting HRG - OUTPUT – CODE 2 nd position value
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EQ4 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.

- a. 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 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 the HRG payment calculation. 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.

90 - Medical and Other Health Services Not Covered Under the Plan of Care (*Type of Bill 034x*)

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

HHAs may submit claims for certain medical and other health services *which are paid from the Part B trust fund*. The HHA may receive payment *for these services* outside of the prospective payment system (See Pub. 100-02, Medicare Benefit Policy Manual, chapter 7).

A Patient Not Under A Home Health Plan Of Care

The HHA submits claims with TOB *034x* to bill for certain “medical and other health services” when there is no home health plan of care. Specifically the HHA may bill using TOB *034x* 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 *034x*:

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

All other services are home health services and should be billed as an HH PPS episode with Type of Bill 032x.

DME, orthotic, and prosthetics can be billed as a home health service using type of bill *032x* or as a medical and other health service using type of bill *034x* 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 medical and other health services bill *paid from the Part B trust fund (TOB 034x 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 *032x*) 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.

90.1 - Osteoporosis Injections as HHA Benefit

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

A - Billing Requirements

The administration of the drug is included in the charge for the skilled nursing visit billed using TOB *032x*. The cost of the drug is billed using TOB *034x*, using revenue code 0636. Drugs that have the ingredient calcitonin are billed using HCPCS code J0630. Drugs that have the ingredient teriparatide may be billed using HCPCS code J3110, if all existing guidelines for coverage under the home health benefit are met. All other osteoporosis drugs that are FDA approved and are awaiting a HCPCS code must use the miscellaneous code of J3490 until a specific HCPCS code is approved for use.

HCPCS code J0630 is defined as up to 400 units. Therefore, the provider must calculate units for the bill as follows:

Units Furnished During Billing Period	Units of Service Entry on Bill
100-400	1
401-800	2
801-1200	3
1201-1600	4
1601-2000	5
2001-2400	6

HCPCS code J3110 is defined as 10 mcg. Providers should report 1 unit for each 10 mcg dose provided during the billing period.

These codes are paid on a reasonable cost basis, using the provider's submitted charges to make initial payments, which are subject to annual cost settlement.

Coverage requirements for osteoporosis drugs are found in Pub. 100-02, Medicare Benefit Policy Manual, chapter 7, section 50.4.3. Coverage requirements for the home health benefit in general are found in Pub. 100-02, Medicare Benefit Policy Manual, chapter 7, section 30.

B - Edits

Medicare system edits require that the date of service on a *034x* claim for covered osteoporosis drugs falls within the start and end dates of an existing home health PPS episode. Once the system ensures the service dates on the *034x* claim fall within an HH PPS episode that is open for the beneficiary on CWF, CWF edits to assure that the provider number on the *034x* claim matches the provider number on the episode file. This is to reflect that although the osteoporosis drug is paid separately from the HH PPS episode rate it is included in consolidated billing requirements (see §10.1.25 regarding consolidated billing).

Claims are also edited to assure that if the claim is an HH claim (TOB *034x*), the beneficiary is female and that the diagnosis code for post-menopausal osteoporosis is present.

110 – Billing and Payment Procedures Regarding Ownership and *CMS Certification Numbers (CCNs)*

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110.1 - Billing Procedures for an Agency Being Assigned Multiple *CCNs* or a Change in *CCN*

(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10, Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Where a multiple-facility is being assigned separate *CMS Certification Numbers (CCNs)* for each component facility or when an agency is assigned a different number, HHAs are required to use the new *CCN* for any bill, beginning with the date the new number is effective.

The old *CCN* is used on claims for services through the day of the termination for the old number. Claims for all Medicare beneficiaries in open HH PPS episodes of care must be closed with discharge claims as of this date. These claims will be PEP adjustments. For services rendered on and after the effective date of the new *CCN*, use the new *CCN* when submitting *RAPs or claims*. A new RAP must be submitted for each Medicare beneficiary on service under the new *CCN*. If there is a gap of days between the termination date of the old *CCN* and the effective date of the new *CCN*, Medicare payments cannot be made for dates of service in the gap period.

In cases in which the ownership of the agency changes, but the *CCN* does not change (new owner accepts the assignment of the existing number), billing for HH PPS episodes is not affected by the change of ownership.

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Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

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212 - Home Health Consolidated Billing and Supplies Provided by DMEPOS Suppliers
(Rev. 2977, Issued; 06-20-14, Effective: 09-23-14; ICD-10: Upon Implementation of ICD-10,
Implementation: 09-23-14; ICD-10: Upon Implementation of ICD-10)

Section 1842 (b)(6)(F) of the Social Security Act requires consolidated billing of all home health services while a beneficiary is under a home health plan of care authorized by a physician. Consequently, Medicare makes payment for all such items and services to a single home health agency (HHA) overseeing that plan.

The law states payment will be made to the HHA without regard as to whether or not the item or service was furnished by the agency, by others under arrangement to the HHA, or when any other contracting or consulting arrangements exist with the primary HHA, or “otherwise.” Payment for all items is included in the home health prospective payment system (HH PPS) episode payment the HHA receives.

Nonroutine medical supplies are among the types of services that are subject to the home health consolidated billing provision. Medicare periodically publishes Recurring Update Notifications that contain updated lists of nonroutine supply codes that must be included in home health consolidated billing. These services may not be billed separately by a DMEPOS supplier when a Medicare beneficiary is in a HH PPS episode of care.

Durable Medical Equipment (DME), including prosthetics, orthotics and oxygen, is exempt from home health consolidated billing by law.

For detailed information regarding home health consolidated billing, DMEPOS suppliers should refer to chapter 10, section 20 of this manual.