

MLN Matters Number: MM3881

Related Change Request (CR) #: 3881

Related CR Release Date: October 21, 2005

Effective Date: April 1, 2006

Related CR Transmittal #: R718CP

Implementation Date: April 3, 2006

Source Admission Code 'D'

Provider Types Affected

Providers billing Medicare fiscal intermediaries (FIs) for claims involving inpatient transfers within the same facility.

Impact on Providers



STOP – Impact to You

This article is based on information from Change Request (CR) 3881 in which the Centers for Medicare & Medicaid Services (CMS) reported that it requested and received a new Source of Admission Code "D."



CAUTION – What You Need to Know

The new Source Admission Code "D" is needed to specifically identify a source of admission from the same facility. This is especially important to inpatient psychiatric facilities (IPFs). The IPF Prospective Payment System (PPS) has an emergency department adjustment, but that adjustment is not applicable when the patient is transferred from acute care to an IPF unit in the same hospital and the Admission Code "D" will identify this situation.



GO – What You Need to Do

See the *Background* section of this article for further details regarding this change.

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Background

This article is based on information from Change Request (CR) 3881 which informs Medicare providers that CMS requested and received a new Source of Admission Code from the National Uniform Billing Committee (NUBC) to define transfers from hospital inpatients in the same facility resulting in a separate claim to the payers.

The Source of Admission Code is a required code for Medicare, and it indicates the source of this admission. CR3881 instructs this new Source of Admission Code to be used wherever it might apply, including transfers involving:

- Distinct part units in an acute care hospital (ACH);
- A unit in a critical access hospital (CAH); or
- A swing bed located in an ACH.

This new Source Admission Code will have some specific consequences for inpatient psychiatric facilities (IPF). For instance, if an IPF has a dedicated emergency department, then the IPF Prospective Payment System (PPS) has a payment adjustment to the first day of an inpatient psychiatric stay. This is a facility level adjustment, not a patient level adjustment.

The payment adjustment is not to be applied if the patient is transferred from the acute area to the IPF in the same hospital because the costs for the emergency department are already considered in the DRG payment to the acute hospital.

CMS is currently basing decisions on a Source of Admission Code "4" (CMS originally thought the policy applied for any transfer from acute) and Code "4" is too broad for this scenario. As a result, CMS will use Source of Admission Code "D" to determine a transfer within a facility.

The following table describes Source of Admission Codes "4" and "D":

Source of Admission Code	Descriptor
"4"	Transfer From a Hospital (Different Facility) Inpatient: The patient was admitted to this facility as a hospital transfer from a different acute care facility where he/she was an inpatient. Outpatient: The patient was referred to this facility for outpatient or referenced diagnostic services by (a physician of) a different acute care facility.
"D"	Transfer From Hospital Inpatient in the same facility resulting in a separate claim to the payer.

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Summary

In summary, CR3881 provides the following specific instructions for providers and their intermediaries:

- Medicare contractors will accept new Source of Admission Code "D" as a valid Source of Admission Code.
- IPF PPS providers should review all claims submitted with Source of Admission Code "4."
- IPFs should adjust claims submitted with Source of Admission Code "4" that should be coded with the new Source of Admission Code "D." Payment will remain the same.
- IPFs should resubmit their claims coded correctly with Source of Admission Code "4" that were paid incorrectly (i.e., not given the emergency room adjustment when facility has an emergency department).

Implementation

The implementation date for CR3881 is April 3, 2006.

Additional Information

The official instruction issued to your FI, CR3881, may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R718CP.pdf> on the CMS website.

If you have questions, please contact your Medicare intermediary at their toll-free number which may be found at <http://www.cms.hhs.gov/apps/contacts/> on the CMS website.

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