



The Acute Inpatient Prospective Payment System Fact Sheet (revised November 2007), which provides general information about the Acute Inpatient Prospective Payment System (IPPS) and how IPPS rates are set, is now available in downloadable format at <http://www.cms.hhs.gov/MLNProducts/downloads/AcutePaymtSysfctshf.pdf> from the Centers for Medicare & Medicaid Services Medicare Learning Network. If the URL above does not take you directly to the fact sheet, please copy and paste the URL in your web browser.

MLN Matters Number: MM5845

Related Change Request (CR) #: 5845

Related CR Release Date: January 4, 2008

Effective Date: October 1, 2007

Related CR Transmittal #: 1405CP

Implementation Date: February 4, 2008

Reprocessing of Certain Inpatient Hospital Prospective Payment (IPPS) Claims

Provider Types Affected

Hospitals that bill Medicare fiscal intermediaries (FI) or Medicare Administrative Contractors (A/B MACs) for services provided to Medicare beneficiaries

What Providers Need to Know

CR 5845, from which this article is taken, announces that the Centers for Medicare & Medicaid Services (CMS) has corrected the incorrect listing of twenty five diagnostic related groups (DRG) in the regular post acute care transfer list, which had resulted in transfer claims for these DRGs receiving an incorrect payment.

Please note that FIs and A/B MACs will reprocess your claims that contain these 25 DRGs. **You need take no action to initiate the reprocessing of the claims.**

In addition, CR 5845 also contains revisions to the wage indices (WI) for a few core based statistical areas (CBSA). You should make sure that your billing and reimbursement staffs are aware of these revisions and understand that they will necessitate the adjustment of a few hospital claims. **Providers impacted by these changes should note that your FI or A/B MAC will reprocess the affected claims. You need take no action to initiate the reprocessing of the claims.**

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Background

The post acute care transfer DRGs that should receive a special pay transfer payment have been receiving a payment error. CR 5845, from which this article is taken, announces CMS' correction of this error within the inpatient hospital prospective payment (IPPS) Pricer.

These twenty five DRGs (28, 29, 30, 40, 41, 42, 219, 220, 221, 477, 478, 479, 480, 481, 482, 492, 493, 494, 500, 501, 502, 515, 516, 517, and 956) are considered fiscal year 2008, "special pay" DRGs within the post acute care (PAC) transfer policy. Further, you should note that in a PAC transfer situation, claims are paid 50% of the appropriate PPS rate for the first day of the stay and 50% of the graduated per diem rate for each day of the stay up to the full DRG.

You may want to refer to the regulations at 42 CFR 412.4(f)(2) for additional information.

CR 5845 also announces that CMS has made changes to a few CBSA wage indices based on the October 10, 2007 correction notice to the FY 2008 Inpatient Hospital Prospective Payment IPPS final rule (72 FR 57634), and a subsequent correction notice that will be published in the Federal Register in early November, 2007. In accordance with the regulations at 42 CFR 412.64(k)(1), these corrections are retroactive to October 1, 2007.

These WI changes impact certain providers in CBSAs 13820, 26620, 16180, 39900, 16974, 14484, and 53. The specific hospitals affected and their revised WIs and geographic adjustment factors (GAF) are listed in CR5845, which can be seen at the Web address provided in the next section of this article.

Additional Information

You can find more information about the correction of post acute care transfer DRG payment errors and of the specific revised CBSA wage indices by going to CR 5845, located at <http://www.cms.hhs.gov/Transmittals/downloads/R1405CP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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