



**News Flash** - Test Your Medicare Claims Now! After you have submitted claims containing both National Provider Identifiers (NPIs) and legacy identifiers and those claims have been paid, Medicare urges you to send a small batch of claims now with only the NPI in the primary provider fields. If the results are positive, begin increasing the number of claims in the batch. **(Reminder:** For institutional claims, the primary provider fields are the Billing and Pay-to Provider fields. For professional claims, the primary provider fields are the Billing, Pay-to, and Rendering Provider fields. If the Pay-to Provider is the same as the Billing Provider, the Pay-to Provider does not need to be identified.)

MLN Matters Number: MM5955

Related Change Request (CR) #: 5955

Related CR Release Date: March 7, 2008

Effective Date: April 1, 2008

Related CR Transmittal #: R1474CP

Implementation Date: April 7, 2008

## Changes to the Long Term Care Hospital Prospective Payment System (LTCH PPS) Pricer based on the Medicare, Medicaid and State Children's Health Insurance Program (SCHIP) Extension Act of 2007

### Provider Types Affected

Long Term Care Hospitals submitting claims to Medicare contractors (Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries

### Provider Action Needed

This article is based on CR 5955 which instructs that effective for discharges occurring on or after April 1, 2008, through June 30, 2008, the Federal rate for rate year (RY) 2008 will be \$38,086.04, and the revised high cost outlier fixed-loss amount is \$20,707.

### Background

The Medicare, Medicaid, and SCHIP Extension Act of 2007, enacted on December 29, 2007:

#### Disclaimer

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- Postponed implementation of a portion of the Short Stay Outlier (SSO) payment adjustment formula effective upon enactment for a period of 3 years, and
- Revised the Federal rate for RY 2008 by providing that the base (that is, Federal) rate for RY 2008 be the same as the base rate for discharges for the hospital occurring during the Rate year ending in 2007 (applicable to discharges occurring on or after April 1, 2008).

Note that CMS made the change to the SSO policy immediately, and the updated Long Term Care Hospital (LTCH) Pricer was in production within the Medicare claims processing system on January 28, 2008. In addition, Medicare contractors were instructed to reprocess SSO claims within 60 days.

The Federal rate for RY 2007 was \$38,086.04. Consequently, the Federal rate for RY 2008 will also be \$38,086.04 (effective for discharges occurring on or after April 1, 2008 and on or before June 30, 2008).

In order to maintain estimated total payments for high cost outlier cases at 8 percent of the estimated total payments, the revised high cost outlier fixed-loss amount is \$20,707 (effective for discharges occurring on or after April 1, 2008 and on or before June 30, 2008). This is consistent with the existing regulations at 42 CFR 412.525(a).

## Additional Information

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The official instruction, CR5955, issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1474CP.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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