

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1001	Date: JULY 21, 2006
	Change Request 5073

Subject: Modifications to the Common Working File (CWF) Interrupted Stay Edits for Long Term Care Hospital (LTCH) Claims for Discharges to an Acute Care Hospital

I. SUMMARY OF CHANGES: This transmittal will modify CWF edits (for discharges to an acute care hospital) to correctly count the number of days applicable to interrupted stays to allow for two separate payments when the patient returns to the same LTCH after the applicable fixed-day threshold.

New / Revised Material

Effective Date: October 1, 2002

Implementation Date: January 2, 2007

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-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

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SUBJECT: Modifications to the Common Working File (CWF) Interrupted Stay Edits for Long Term Care Hospital (LTCH) Claims for Discharges to an Acute Care Hospital

I. GENERAL INFORMATION

Background: Medicare defines "interruption of a stay" as a stay at a LTCH during which a Medicare inpatient is discharged from a LTCH, and is readmitted to the same LTCH within a specified period of time. For payment purposes, all interrupted stays are treated as one discharge from the LTCH.

Originally, at the start of the LTCH prospective payment system (PPS) for FY 2003, the interrupted stay policy addressed the situation where a LTCH patient was admitted to an acute care hospital, an inpatient rehabilitation facility (IRF) or a skilled nursing facility (SNF) or swing bed and then returns to the same LTCH for additional care. This original interrupted stay policy is now defined as "greater than 3-day interruption of stay".

LTCH Interrupted Stay Timeframes

Provider Type	Fixed-Day Period
Acute Care Hospital	1-9 if surgical DRG is present on acute care hospital claim
Acute Care Hospital	4-9 if no surgical DRG present on acute care hospital claim
IRF	4-27
SNF/Swing-Bed	4-45

NOTE: The day-count of the applicable fixed-day period of an interrupted stay begins on the day of discharge from the LTCH. E.g., if a patient was discharged from the LTCH on January 1, 2006 to an acute care hospital, and returned to the same LTCH on January 10, 2006, this would not be considered an interrupted stay. In order to be considered an interrupted stay, the patient would have to be re-admitted to the same LTCH by January 9, 2006. In this example the LTCH would receive two separate Medicare payments.

In the May 7, 2004, final rule for the LTCH PPS, we revised the interrupted stay policy to include a discharge and readmission to the same LTCH within 3 days, regardless of where the patient goes upon discharge. Medicare payment for any tests, procedure, or care provided would be the responsibility of the LTCH "under arrangements" with one exception; if treatment in an acute care hospital would be grouped to a surgical DRG, a separate payment would be made to the acute care hospital.

Currently, CWF is editing some LTCH claims incorrectly when the patient is discharged to an acute care hospital and returns to the same LTCH after the fixed-day threshold of 9 days. This transmittal will modify CWF edits applicable to acute care discharges to correctly count the number of days applicable to interrupted stays to allow for two separate payments when the patient returns to the same LTCH from an acute care hospital after the applicable fixed-day threshold of 9 days.

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
5073.3	A provider education article related to this instruction will be available at: www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. 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							

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
5073.4	CWF alert codes that have already been identified to need updating are 7268 and 7537.

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: Payments for LTCH services furnished for cost reporting periods beginning on or after October 1, 2002.</p> <p>Implementation Date: January 2, 2007</p> <p>Pre-Implementation Contact(s): Valeri Ritter 410-786-8652 valeri.ritter@cms.hhs.gov , Sarah Shirey-Losso 410-786-0187 sarah.shirey-losso@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</p>
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