CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 410	**Date: DECEMBER 5, 2008**
	Change Request 6276

Subject: Process for Recovering Medicare Payments for Home Health Prospective Payment System (HH PPS) Claims Failing to Report Prior Hospitalizations

I. SUMMARY OF CHANGES: This transmittal provides instructions for overpayment recoveries associated with Office of Inspector General (OIG) findings related to HH PPS claims and OASIS item M0175.

New / Revised Material
Effective Date: March 5, 2009
Implementation Date: March 5, 2009

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:
SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
Not Applicable.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 410	Date: December 5, 2008	Change Request: 6276

SUBJECT: Process for Recovering Medicare Payments for Home Health Prospective Payment System (HH PPS) Claims Failing to Report Prior Hospitalizations

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Implementation Date: March 5, 2009

I. GENERAL INFORMATION

A. Background:

Beginning in 2003, the Office of the Inspector General (OIG) issued reports to Medicare's four Regional Home Health Intermediaries (RHHIs) demonstrating that the Medicare program is vulnerable to making excess payments on HH PPS claims when certain Outcomes and Assessment Information Set (OASIS) information is reported in error. When HHAs report in OASIS item M0175 that a beneficiary has not been discharged from a hospital within 14 days of the start of home health care, the claim for that beneficiary may in some cases be submitted using a Health Insurance Prospective Payment System (HIPPS) code for a higher paying payment group.

The OIG found that Medicare has paid many claims with HIPPS codes representing no hospital discharge in cases where Medicare claims history shows that an inpatient stay did, in fact, occur. The OIG recommended that the Centers for Medicare & Medicaid Services (CMS) and the RHHIs take action to prevent and to recover these excessive payments.

In April 2004, Medicare implemented pre-payment edits to ensure that claims failing to report prior hospitalizations were identified and recoded whenever Medicare systems had sufficient information to do so. Subsequently, CMS issued a series of instructions regarding post-payment adjustment of claims previously paid in error. Change Request (CR) 5085, transmitted in October 2006, provided direction for adjustments to claims for services in fiscal year 2001 following a process that is compliant with the requirements of section 935 of the Medicare Modernization Act. CR 5085 stated that further instructions regarding claims for services in October 2001 and later would be provided in a separate transmittal. This CR provides those instructions.

Three developments impact CMS' direction regarding M0175 recovery processes:

- Upon appeal, a significant volume of recoveries have been reversed on grounds that providers did not receive timely notice of the reopening of their claims. While CMS had intended this notice to have been given via CR 5085, case decisions found that specific, individual notice to providers is required. As a result of these findings, M0175 recoveries for services provided in 2004 and earlier are also now beyond the timely notice period.
- The HH PPS case-mix system refinement effective January 1, 2009 removed OASIS item M0175 from the list of items that affect HH PPS payments. Since M0175 overpayments are not a long term vulnerability of the payment system, systematic changes and national processes to coordinate action on OIG reports regarding such overpayments are no longer warranted.
- CRs 5873 and 6183 outline consistent national processes for ensuring overpayment recoveries are in compliance with MMA 935 requirements.

B. Policy: In light of these developments, Regional Home Health Intermediaries shall act on OIG reports regarding M0175 overpayments according to the requirements outlined below.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6276.1	Medicare contractors shall take no action on OIG reports regarding M0175 overpayment for services in calendar years 2001 through 2004, since reopening these claims is no longer timely.					X					
6276.2	Medicare contractors shall act on OIG claim files provided in association with any current and future OIG reports regarding M0175 overpayments for services in calendar years 2005 through 2007.					X					
6276.3	Medicare contractors shall provide notice to each HHA with claims identified in OIG reports regarding M0175 overpayments for services in calendar years 2005 through 2007 that their claims will be reopened in response to the reports.					X					
6276.4	Subsequent to providing notice to providers, Medicare contractors shall recover any overpayments for services in calendar years 2005 through 2007 in accordance with MMA 935-compliant processes outlined in CRs 5873 and 6183.					X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6276.5	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/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 site 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 your 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					

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
6276.2	CMS will not provide RHHIs with any future national M0175 recoding files.

B. For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Wil Gehne, 410-786-6148, wilfried.gehne@cms.hhs.gov

Post-Implementation Contact(s): Appropriate Regional Office.

VI. FUNDING

A. *For Fiscal Intermediaries, Carriers, and the Regional Home Health Intermediaries (RHHI*):
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

B. *For Medicare Administrative Contractors (MAC)*: N/A