

Related Change Request (CR) #: 3885

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Late Submission Penalty Protocol Within the Inpatient Rehabilitation Facility Prospective Payment System

Provider Types Affected

Inpatient Rehabilitation Facilities (IRFs) billing Medicare Fiscal Intermediaries (FIs) for services paid under the Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS)

Provider Action Needed

IRFs billing FIs for Medicare Part A fee-for-service inpatient services should be aware of the policy regarding the transmission of patient's assessment data to the Centers for Medicare & Medicaid Services' (CMS) National Assessment Collection Database and how late transmission impacts the payment amount.

Background

In the IRF PPS final rule, published in the Federal Register on August 7, 2001 (66 FR 41316), CMS adopted a policy that allows for a penalty to be applied for the late transmission of Medicare Part A fee-for-service patient assessment data collected through the Inpatient Rehabilitation Facility Patient Assessment Instrument (IRF-PAI).

A penalty is applied when the IRF transmits the patient assessment data 28 calendar days or more from the date of discharge. The start date of this time period is the actual discharge date.

The August 7, 2001 final rule, CRF 412.614(e), also implemented a policy that allows CMS to waive the penalty for late transmission, when CMS or the FI acting on behalf of CMS determines that an extraordinary situation prevented the IRF from transmitting the IRF-PAI data by the mandated transmission date. Only CMS or the FI acting on behalf of CMS can determine if a particular circumstance encountered by an IRF is extraordinary and qualifies for a waiver of the penalty.

CR3885 implements changes to the IRF Pricer to provide the FIs the capability to make payment adjustments in instances where a penalty has been assessed for the late transmission of Medicare Part A fee-for-service patient assessment data through the IRF-PAI. The modifications to the IRF Pricer are described in an attachment to CR 3885.

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CR3885 also implements changes to the Medicare IRF PPS to allow FIs to bypass a late penalty assessment when CMS or the FI acting on behalf of CMS determines the circumstances which prevented the transmission of the IRF-PAI data to be extraordinary and the penalty should be waived.

The following provides a summary of how the late penalty is determined, the penalty rate, coding requirements for a Medicare Part A fee-for-service claim, and when the penalty may be waived.

Determination of Penalty

The August 7, 2001 final rule required that the IRF-PAI data collected on a Medicare Part A fee-for-service inpatient be transmitted to the CMS National Assessment Collection Database by the 17th calendar day from the date of the inpatient's discharge. Under the IRF PPS regulations, if the actual transmission date is later than 10 calendar days from this mandated transmission date, the IRF-PAI data is considered late.

The IRF receives a payment rate that is 25 percent less than the payment rate associated with the case-mix group (CMG). Consequently, if the IRF transmits the patient assessment data 28 calendar days or more from the date of discharge, the penalty is applied.

Information regarding the CMGs may be found at http://www.cms.hhs.gov/manuals/pm_trans/A0091.pdf on the CMS web site.

Waiver of Penalty

The August 7, 2001 final rule allows CMS the authority to waive the penalty described above for the late transmission of patient assessment data under the following circumstances:

- When CMS or the FI determines that a claim the IRF submitted should not be subject to the payment penalty described above because CMS or the FI has determined that due to an extraordinary situation the IRF could not comply with the requirement, or
- When Medicare Part A fee-for-service is not the primary payer.

Medicare Fee-for-Service Claim Coding Requirements

When Medicare Part A fee-for-service is the primary payer, the revenue code line **0024, Field Locator 45** (or electronic equivalent) service date—when entered by the provider or the CMS adjustment process—will equal the date on which the final assessment was transmitted to the CMS National Assessment Collection Database.

This field is mandatory on all discharge IRF PPS claims, whether the IRF PAI was transmitted late or not. Transmission of the IRF-PAI data record 28 or more calendar days after the discharge date specified on the claim will result in the claim incurring the 25 percent late IRF-PAI data transmission penalty.

If the provider does not complete this field accurately and the IRF PAI data record is transmitted 28 calendar days or more from the date of discharge, CMS will utilize a post-payment review process to identify claims subject to the late penalty and institute an adjustment process to correct payment. Complete details of the CMS post-payment review process will be determined at a later date.

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Additional Information

For complete details, please see the official instruction issued to your FI regarding this change. That instruction may be viewed by going to:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

From that Web page, look for CR 3885 in the CR NUM column on the right, and click on the file for that CR.

If you have any questions, please contact your Medicare FI at their toll-free number, which may be found at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

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