DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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MLN Matters® Number: MM 9027 **Related Change Request (CR) #: CR 9027**

Related CR Release Date: January 30, 2015 **Effective Date: July 1, 2015**

Related CR Transmittal #: R3176CP **Implementation Date: July 6, 2015**

Preventing Inappropriate Payments on Home Health Low Utilization Payment Adjustment (LUPA) Claims

Provider Types Affected

This MLN Matters® Article is intended for providers and Home Health Agencies (HHAs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries in a Home Health period of coverage.

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 9027 to notify providers of new edits in Original Medicare systems to ensure Low Utilization Payment Adjustment (LUPA) payments under the Home Health Prospective Payment System (HH PPS) are made appropriately. CR9027 clarifies billing instructions for HH PPS claims. No new policy is created by CR9027; these new requirements improve the enforcement of existing Original Medicare payment policies. Make sure your billing staffs are aware of these changes.

Background

Since January 2008, the HH PPS has included an additional payment when HH PPS episodes subject to LUPAs are the first episode in a sequence of adjacent episodes or are the only episode of care received by a beneficiary. This payment is often referred to as the "LUPA add-on." Medicare systems apply the LUPA add-on only when certain coding is present on a claim. Medicare systems ensure that if this coding is present, earlier adjacent episodes have not been processed for the same beneficiary. This coding and enforcement is described in CR5877, which was implemented July 7. 2008, and a related MLN Matters® article is available at **http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/mm5877.pdf** on the CMS website.

MACs have reported that in two limited circumstances, Medicare systems may allow more than one LUPA add-on payment during a sequence of adjacent episodes. Those circumstances are:

1. Cases where an incoming claim coded for a LUPA add-on overlaps an earlier episode for the same beneficiary which was also paid a LUPA add-on. When this occurs, Medicare systems currently auto-cancel the earlier episode and trigger the unsolicited response process that ensures the earlier episode's statement dates are adjusted. (This is the same unsolicited response that ensures Partial Episode Payment (PEP) adjustments are applied correctly, though no PEP adjustment is triggered in this case.) Because the earlier episode is canceled and has not yet been re-processed, the incoming claim appears to be the first episode and the LUPA add-on is allowed. The requirements of CR9027 change Medicare systems to identify the duplicate LUPA add-on payment before the earlier episode is canceled and to ensure the add-on is not paid.

2. Cases where two adjacent episodes coded for a LUPA add-on for the same beneficiary by the same provider are processed out of sequence. When the later dated episode is received first, it may appear to Medicare systems to be the first episode and the LUPA add-on is allowed. When the earlier dated episode is received later, Medicare systems look for an earlier episode and find none, so this also appears to be the first episode and the LUPA add-on is allowed. Medicare systems do not currently check to see if a LUPA add-on for a later date has already been paid. The requirements of CR9027 change Medicare systems to identify that a LUPA add-on has already been paid and return the earlier dated claim to the provider. The provider must then correct the admission date on the claim for the later dated episode before the earlier dated claim can be paid.

Finally, per Sections 1814(a)(2)(C) and 1835(a)(2)(A) of the Social Security Act, to be eligible to receive Medicare Home Health services the beneficiary must have a skilled need (that is, require intermittent Skilled Nursing (SN) services, Physical Therapy (PT), and/or Speech-Language Pathology (SLP) services or have a continuing need for Occupational

Therapy (OT) services). The first OT service, which is a dependent service, is covered only when preceded by an intermittent SN visit, PT visit, or SLP visit. The requirements below change Medicare systems to return to the provider any claims for episodes subject to LUPAs that are the first episode in a sequence of adjacent episodes or are the only episode of care received by a beneficiary for which patient eligibility for the Medicare Home Health benefit has not been established (i.e., no SN, PT, or SLP visits reported on the claim).

The following summarizes the "Medicare Claims Processing Manual" revisions that highlight the requirements of CR9027:

1. Chapter 10/Section 10.1.17/Adjustments of Episode Payment –LUPAs

    - One criterion that Medicare uses to determine whether a LUPA add-on payment applies is that the claim Admission Date matches the claim "From" Date. HHAs should take care to ensure that they submit accurate admission dates, especially if episodes are submitted out of sequence. Inaccurate admission dates may result in Medicare systems returning LUPA claims where an add-on payment applies, but the add-on was paid inappropriately on a later dated episode in the same sequence of adjacent episodes.

    - Medicare systems may return to the provider LUPA claims if the claim meets the criteria for a LUPA add-on payment but it contains no qualifying skilled service. In these cases, the HHA may add the skilled visit to the claim if it was omitted in error and re-submit the claim. Otherwise, the HHA may only re-submit the claim using condition code 21, indicating a billing for a denial notice.

2. Chapter 10/Section 40.1/Request for Anticipated Payment (RAP) and Section 40.2/HH PPS Claims

    - For initial episodes, the HHA reports on the 0023 revenue code line the date of the first covered visit provided during the episode. For subsequent episodes, the HHA reports on the 0023 revenue code the date of the first visit provided during the episode line, regardless of whether the visit was covered or non-covered.

As a result of CR9027, Providers should note that a claim will be rejected for repricing if the following conditions are met:

- The Type of Bill is 032x,

- Pricer return code 14 is present, indicating a LUPA add-on,

- The claim "From" date falls within the "From" and "Through" dates of a paid claim in history for the same beneficiary, and
- Pricer return code 14 is also present on the paid claim in history.

As a result of CR9072, claims will be returned to the provider if any of the following conditions are met:

- The Type of Bill is 032x;
- There are 4 or fewer covered visits (occurrences of revenue codes 042x, 043x, 044x, 055x, 056x and 057x);
- The Admission Date matches the From Date;
- The first position of the HIPPS code is 1 or 2; or
- Condition code 47 is not present, and there is no qualifying skilled service (at least one covered occurrence of revenue codes 042x, 044x or 055x).

Additional Information

The official instruction for CR9027 issued to your MAC regarding this change is available at **http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3176CP.pdf** on the CMS website.

If you have questions please contact your MAC at their toll-free number. The number is available at **http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html** under - How Does It Work?

Seasonal Flu Vaccinations - For information on coverage and billing of the influenza vaccine and its administration, please refer to **MLN Matters® Article #MM8890**, "Influenza Vaccine Payment Allowances - Annual Update for 2014-2015 Season" and **MLN Matters® Article #SE1431**, "2014-2015 Influenza (Flu) Resources for Health Care Professionals."

Also, check out the following resources from the Centers for Disease Control and Prevention (CDC): **Influenza (Flu)** web page for the latest information on flu including the CDC 2014-2015 recommendations for the prevention and control of influenza, antiviral information, CDC flu mobile app, Q&As, toolkit for long term care employers, and other free resources. Review the CDC's **Antiviral Drugs** website for information about how antiviral medications can be used to prevent or treat influenza when influenza activity is present in your community, and view the updated "Influenza Antiviral Medications: Summary for Clinicians." A CDC Health Update reminding clinicians about the importance of flu antiviral medications was distributed via the CDC Health Alert Network on January 9, 2015, and is available at **http://emergency.cdc.gov/HAN/han00375.asp** on the Internet.