



**Ref: S&C01-03**

**DATE:** February 12, 2001

**FROM:** Director  
Survey and Certification Group

**SUBJECT:** The Application of Outcome and Assessment Information Set (OASIS) Requirements to Medicare Beneficiaries - Procedures Affecting Home Health Agencies (HHAs) and OASIS Requirements - INFORMATION

**TO:** Associate Regional Administrators, DMSO  
State Survey Agency Directors

The purpose of this memorandum is to provide guidance to HHAs and State survey agencies for the application of OASIS requirements to Medicare beneficiaries using various Medicare benefits, in response to a number of inquiries.

### **Medicare Home Health Benefit**

The comprehensive assessment and OASIS data collection requirements apply to the following Medicare beneficiaries:

- Medicare beneficiaries, using the Medicare home health benefit provided under either Part A, Part B, or Part C;
- Medicare beneficiaries who require therapy services provided outside the home for special equipment needs, and who are using the Medicare home health benefit.

If a Medicare beneficiary is under a home health plan of care, all therapy services, that is physical therapy, occupational therapy, speech therapy (PT, OT, ST), delivered under the home health benefit whether they are furnished directly by the HHA or under arrangement on behalf of the HHA are bundled into the Prospective Payment System (PPS) home health payment rate. The consolidated billing requirements governing home health PPS require physical, speech and occupational therapy services to be bundled to the HHA for beneficiaries under a home health plan of care. If an eligible beneficiary is under a home health plan of care, then the HHA is responsible for providing the therapy services either directly or under arrangement during an open 60-day episode.

If a Medicare beneficiary under a home health plan of care is receiving therapy services from another provider under arrangement made by the HHA as part of the home health benefit simply because the required equipment cannot be made available at the patient's home, the Medicare conditions of participation (CoP) apply, including the comprehensive assessment and collection and reporting of OASIS data by the HHA.

### **Medicare+Choice Organization (MCO)**

Medicare beneficiaries who elect to have Medicare services provided by a Medicare+ Choice Organization (MCO) are entitled to all the Medicare-covered services that are available to beneficiaries residing in the MCO's geographic area. MCOs that contract with Medicare to furnish HHA services may provide such services either directly or through Medicare-approved HHAs that have a provider agreement/number with Medicare. (See 42 CFR Part 422.112). If an MCO provides home health services directly as an integral part of the MCO, it is referred to as an MCO-operated HHA, and the MCO itself must meet the HHA CoPs.

### **Application of the Medicare HHA CoP**

The Medicare HHA CoP apply to all individuals accepted for care by the Medicare approved HHA. The OASIS applies to all patients receiving skilled care with the exception of maternity patients, patients under age 18, and persons who are receiving only personal care or chore services, that is, persons who are receiving only aide services, or services such as housekeeping, cooking, or laundry. We would also like to clarify that the CoP apply to any individual who is terminally ill and who is receiving home health services in a Medicare-approved HHA (as opposed to receiving hospice care from a Medicare-approved hospice described below.)

### **Medicaid Home Health Programs/Medicaid Waiver Programs**

The OASIS regulations apply to HHAs that are required to meet the Medicare home health CoP. An HHA that currently must meet the Medicare CoP under Federal and/or State law must meet the Medicare CoP related to OASIS and comprehensive assessment. If an HHA provides skilled services to individuals under Medicaid, then OASIS applies. If the patient is not receiving skilled nursing, physical therapy, occupational therapy, or speech pathology or audiology services, then OASIS does not apply. The requirement for Personal Care Only services are referenced in HCFA-3020-N (Medicare and Medicaid Programs: Mandatory Use, Collection, Encoding and Transmission of Outcome and Assessment Information Set for Home Health Agencies) published June 18, 1999 and have been delayed for a minimum of two years.

### **Medicare Hospice Benefit**

The comprehensive assessment and OASIS data collection requirements do not apply to any individual receiving hospice services from a Medicare-approved hospice. A hospice patient may receive covered home health services for a condition unrelated to the treatment of the terminal condition for which hospice care was elected. This type of patient would be subject to the regulations governing the HHA services, including OASIS assessment.

### **Outpatient Therapy Benefit**

If a Medicare beneficiary not under a home health plan of care is receiving therapy services under the Medicare Part B outpatient benefit from another Medicare provider, the OASIS comprehensive assessment and collection requirements do not apply.

**SNF or Inpatient Hospital Benefit**

The comprehensive assessment and OASIS data collection requirements do not apply to Medicare beneficiaries who are inpatients at a SNF or a hospital because these services are not considered home health services and the OASIS comprehensive assessment does not need to be conducted. The Minimum Data Set (MDS) is required in certified skilled nursing facilities.

The following table identifies the type of Medicare/Medicaid service and the application of the Federal OASIS requirements:

Type of Medicare Service	Further Description	Application of OASIS
Home Health Benefit	Part A	Yes
Home Health Benefit	Part B	Yes
Home Health Benefit	Terminal Care	Yes
Home Health Benefit	Therapy services provided either directly or under arrangement while under a home health PoC during an open episode	Yes
Medicare + Choice Home Health Care	The selected HHA must be Medicare approved	Yes
Medicaid Home Health Benefit	Skilled services provided including expanded home health services, that are skilled, provided under a Home and Community-based Waiver	Yes
Medicaid Home Health Benefit	Waiver service or home health aide services only provided without skilled services	No
Medicare Hospice Benefit	Inpatient or at home	No
Outpatient Therapy Benefit (patient not under a home health plan of care)	Provided in a clinic, rehabilitation agency, a public health agency or other provider of services	No
Skilled Nursing Facility, Hospital	Inpatient services	No

The guidance and recommendations provided in this memorandum apply to all accredited HHAs that participate in Medicare and to HHAs that are required to meet the Medicare CoP, including Medicaid HHAs.

**Effective Date:** This policy is effective on the date of this correspondence.

**Training:** This policy should be shared with all OASIS Educational and Automation coordinators, home health agency surveyors, their managers, home health providers, and the State/Regional office training coordinator.

If you have any questions about these instructions, please contact Mary Weakland at 410-786-6835 or Tracey Mummert at 410-786-3398.

/s/  
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