



News Flash – The **Home Health Prospective Payment System Fact Sheet**, which provides information about home health coverage and elements of the Home Health Prospective Payment System, is now available in print format from the Centers for Medicare & Medicaid Services *Medicare Learning Network*. To place your order, visit <http://www.cms.hhs.gov/mlngeninfo/>, scroll down to “Related Links Inside CMS” and select “MLN Product Ordering Page.”

MLN Matters Number: MM5877 **Revised**

Related Change Request (CR) #: 5877

Related CR Release Date: March 7, 2008

Effective Date: January 1, 2008

Related CR Transmittal #: R1476CP

Implementation Date: July 7, 2008

Correction to Low Utilization Payment Adjustment Add-on Payments under the Refined Home Health Prospective Payment System (HH PPS)

Note: This article was revised on March 10, 2008, to reflect changes that were made to CR5877 on March 7. The CR release date and transmittal number (see above) were changed and the Web address for accessing CR5877 was changed. All other information remains the same.

Provider Types Affected

All Home Health Agencies (HHAs) billing Medicare Regional Home Health Intermediaries (RHHIs) for services provided to Medicare beneficiaries.

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 5877 to describe systems changes necessary to prevent low utilization payment adjustment (LUPA) add-on payments on HH PPS claims in situations where the add-on does not apply. CR5877 represents no change in Medicare policy, but advises that additional system processes will be used to assure that existing policy is followed.

Background

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2007 American Medical Association.

The August 29, 2007 Final Rule describing refinements to the HH PPS created an additional payment that is made 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."

The initial implementing instructions for HH PPS refinements were published in Transmittal 1348, CR 5746; the web address for this CR is available in the *Additional Information* section of this article. These instructions described the criteria Medicare systems would use to identify claims that would qualify for the LUPA add-on payment. These criteria were:

- That the claim has four or fewer visits,
- That the Health Insurance Prospective Payment System (HIPPS) code on the claim begins with a 1 or 2, indicating the claim is for an early episode in a sequence of adjacent episodes,
- That the claim admission date and statement covers "From" date match, indicating the claim is the first episode provided at a given provider, AND
- That the source of admission code on the claim is not B, indicating the claim is not a transfer from another HHA, or C, indicating the claim is a discharge and readmission to the same HHA within the same 60-day period.

While the above criteria identify LUPA add-on claims based on the face of the claim itself, they can result in payments of LUPA add-ons where that payment is not appropriate. Consequently, in addition to the data on the claim itself, Medicare will review its claim history to ensure that the claim is the first or only episode in a sequence. If claims history shows that the claim is not the first or only episode in a sequence, the LUPA add-on will not be paid.

For example, if a patient is **admitted to a first episode at one HHA, then discharged and readmitted to the same or another HHA within the sixty day period between episodes that defines a sequence of adjacent episodes**, the criteria described above would be met but the claim would be the second in the sequence. In this case the **LUPA add-on would not apply**.

Key Points

- LUPA add-on payments are made only on the first or only episode of care in a sequence of adjacent episodes.
- Be aware that your Medicare RHHI will adjust all claims that received the LUPA add-on which were received between January 1, 2008 and July 6, 2008 and where the LUPA add-on is determined to be not appropriate.

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Additional Information

To see the official instruction (CR5877) issued to your Medicare RHHI refer to <http://www.cms.hhs.gov/Transmittals/downloads/R1476CP.pdf> on the CMS website.

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

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

The MLN Matters article related to CR5746 may be accessed through at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5746.pdf> on the CMS website.

News Flash - It's Not Too Late to Give and Get the Flu Shot! In the U.S., the peak of flu season typically occurs anywhere from late December through March; however, flu season can last as late as May. Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a one time pneumococcal vaccination. Protect yourself, your patients, and your family and friends by getting and giving the flu shot. **Don't Get the Flu. Don't Give the Flu. Get Vaccinated!** Remember - Influenza and pneumococcal vaccinations and their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. You and your staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition MLN Matters article SE0748 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0748.pdf> on the CMS website.

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