

The Centers for Medicare and Medicaid Services (CMS) initiated a Memo early in 2013 to Medicare Advantage Organizations (MAOs) instructing them that SNF claims would be rejected starting December 1, 2013 dates of service (DOS) unless appropriate HIPPS (Health Insurance Prospective Payment System) codes were present.

On November 4, 2013, a follow up Memo was initiated to MAOs to notify that the “reject” edit would be delayed until July 1, 2014 DOS.

On May 23, 2014, an additional Memo was initiated to provide details and clarification about the July 1st requirement. This Memo clarified that for DOS beginning on or after July 1, 2014, the MAOs must submit a HIPPS code on a SNF encounter that comes from the initial OBRA-required Admission Assessment. SNF encounters on or after July 1st without a HIPPS code would be rejected. This Memo also clarified that CMS was not requiring MAOs to submit HIPPS codes from any other OBRA-required comprehensive or non-comprehensive assessment, or for any PPS assessments, though submission for all assessments was encouraged.

On December 4, 2014, an additional Memo was introduced to provide further clarification about the MAO HIPPS code requirements. This Memo clarified scenarios in which the MAO should submit the code when an Admission assessment was not completed during the Medicare Advantage part of the stay. A step by step sequence is provided in the memo outlining which MDS HIPPS to use.

So what does this mean for SNF’s and the MDS process?

Initially it was thought that for each Managed Medicare resident (this does not apply to non-Managed Medicare HMO’s – ie: Commercial Insurance, Private Insurance, etc.), the facility would need to complete a full PPS schedule of assessments. This meant that each MAO resident would require a 5 Day, 14 Day, 30 Day, 60 Day and 90 Day in addition to the Admission and any other OBRA assessments completed. These PPS assessments were to be completed BUT NOT submitted to CMS, as CMS regulations require only Traditional Medicare Part A assessment be submitted for PPS purposes.

The completed (but not submitted) PPS assessments would remain in the facility software and the HIPPS code generated from the MDS would be used by the facility on the billing claim that is submitted to the MAO. The MAO would then use the HIPPS code on their correspondence with CMS to meet CMS’s requirement.

The November 2014 Memo clarified that the full PPS schedule is not required for MAO’s to submit to CMS; only the Admission MDS HIPPS code. The Memo did, however, state that it was suggested to submit all assessments.

Therefore, facilities have adapted their own individual process as to how to help MAO’s meet the HIPPS requirement. Some facilities have opted to treat MAO’s as they would a Traditional

Interpretation of CMS Memo Regarding Managed Medicare, MDS and HIPPS Code Requirements

Part A from an MDS perspective (except for submission) and some facilities are only providing admission and discharge HIPPS codes.

The December 4th Memo outlines which MDS HIPPS to use (in a particular sequence) when the Admission MDS is not present.

To meet CMS's requirement for MAOs, at a minimum, facilities should be:

1. Completing an Admission MDS on all new MAO admits, regardless of length of stay. If the length of stay is less than 14 days, the MDS does not need to be submitted to CMS. The MDS can then be completed as best as possible to generate a RUG and kept in the facility software so the HIPPS code can be used by billing for the claim.
2. If a facility opts to set up a PPS schedule for a MAO (some facilities have contracts with these MAO's that pay the facility by RUG's and would complete the PPS schedule regardless of the HIPPS requirement) the facility should ensure that the Admission MDS and the 5 Day MDS are NOT combined, as the 5 Day should not be submitted to CMS.
3. PPS Assessments should not be submitted to CMS per RAI Manual guidelines so facilities will need to track this closely to ensure correct procedures for Traditional A vs MAO

If an Admission MDS is not completed during the time of MAO coverage (which may happen if the resident's Admission MDS was completed prior to the initiation of MA coverage), then the HIPPS code from another MDS completed during the MAO coverage period should be submitted. If no other assessment is present, the HIPPS from the most recent assessment prior to the MAO covered stay should be submitted. The default HIPPS code of 'AAA00' may be submitted only if (1) the SNF stay was less than 14 days within a spell of illness, (2) the beneficiary has been discharged prior to the completion of the initial OBRA Admission assessment, and (3) no other assessment was completed during the stay.

The following resources are available:

Questions to CMS can be directed: encounerdata@cms.hhs.gov using "HPMS memo-HIPPS Codes" in the subject line