

Eli's Hospice Insider

Reimbursement: Review Requirements For Emergency-Related Billing

Know how to use the condition code CMS originated for Hurricane Katrina billing.

Being in the midst of a disaster doesn't mean you can function with no reimbursement. Don't ignore the billing side of EP planning. Make sure your billing staff know how to handle their duties in the event of a disaster, including applicable claims submission rules for Medicare and other payers.

Reminder: Once the government declares a Public Health Emergency, the **Health and Human Services** Secretary can invoke Section 1135 of the Social Security Act (SSA), which allows HHS to waive or modify certain Medicare, Medicaid, CHIP, and HIPAA requirements.

After the HHS Secretary declares the PHE and announces a formal waiver, the feds will alert the impacted Medicare Administrative Contractor (MACs) with a concise outline of the geographic areas affected by the disaster or catastrophe. Plus, HHS and the **Centers for Medicare & Medicaid Services** will break down the specifics on what the MACs should know for both the formal and informal waivers.

Informal waivers relax certain Medicare procedures - usually related to administration and "not required by statute or regulation" - and are "discretionary," explains Change Request 7156. One example: Claims filing jurisdiction. "In the event of a disaster/ emergency that impaired or limited operations at a particular Medicare contractor, alternative claims filing jurisdictions could be established," CMS instructs.

Lastly, HHS and CMS set a time frame for the waivers with start (often retroactive) and end dates, alerting the MACs of the specifics and the usage of required codes. Depending on the nature of the disaster, the feds may issue a waiver extension.

In July 2009, CMS issued CR 6451, which mandated the use of the DR condition code (disaster related) and the CR modifier (Catastrophe/disaster related) on Medicare claims with a "formal waiver" like the 1135 waiver.

Why? HHS allows these waivers to better monitor how payers process claims in these uncertain circumstances, says **Dawn Rogers**, coding specialist at **Caduceus Inc.** in Jersey City, New Jersey.

CMS created the code and modifier to handle Hurricane Katrina-related billing, CMS notes in MLN Matters Article No.MM6451.

When a formal waiver is in place, providers need to use a DR condition code. The DR condition code is "used to identify claims that are or may be impacted by specific payer/health plan policies related to a national or regional disaster," according to Chapter 38, Section 10 of the Medicare Claims Processing Manual.

"In previous emergencies, use of the 'DR' condition code was entirely discretionary with the billing provider or supplier," CMS notes in MLN Job Aide 6451. "It no longer may be used at the provider or supplier's discretion. Effective August 31, 2009, use of the 'DR' condition code will be mandatory for any claim for which Medicare payment is conditioned directly or indirectly on the presence of a 'formal waiver.'"

Remember: The DR condition code is used only when a formal waiver like the 1135 is issued.

Note: The Medicare Claims Processing Manual guidance is at www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c38.pdf.

