

OASIS Alert

Reader Question: You Won't Get Full Episode Payment For MA Patients

And you may wind up handing money back to CMS.

Question: I hope you can shed some additional light on this subject for us...We are having some issues when a patient changes payer sources from traditional Medicare to a managed care plan. The intermediary is actually applying a PEP to the traditional Medicare claim and we do not believe the regulatory language allows this or even speaks to managed care plans.

Answer: Consultant **M. Aaron Little** with **BKD** in Springfield, MO points out that the Medicare Claims Processing Manual states, "In cases where an HHA is aware in advance that a beneficiary will become enrolled in a Medicare Advantage (MA) Organization as of a certain date, the provider should submit a claim for the shortened period prior to the MA Organization enrollment date. The claim should be coded with patient status 06. Payment responsibility for the beneficiary is being 'transferred' from Medicare fee-for-service to MA Organization, since HH PPS applies only to Medicare fee-for-service," the **Centers for Medicare & Medicaid Services** says in the manual.

Correction: HHAs should bill for such claims with a 06 discharge status code, not an 01 code as stated in **Eli's** OASIS Alert, Vol. 9, No. 8, p. 77.

So don't expect a full payment when a patient switches to an MA plan, even if you didn't find out about the switch until well after the episode began.

Some agencies have seen their claims for such episodes paid in full when they really shouldn't have been, Little notes.

This erroneous payment may happen because the MA episode hasn't posted to the Common Working File yet, a CMS official tells **Eli**. "In that case, the HH claim would receive full payment, but then an automatic adjustment would be triggered later when the MA period is entered. This is the normal course of processing," the CMS staffer explains.

Note: The Claims Processing Manual's chapter on HHA billing, Chapter 10, is at www.cms.hhs.gov/manuals/downloads/clm104c10.pdf.