

CORONAVIRUS DISEASE 2019 (COVID-19)

July 2020 IPPS, FQHC, and LTCH Pricer Updates Related to COVID-19



Audience: Coding/HIM, Finance, Patient Financial Services, Reimbursement

Revision Date: May 14, 2020

Version: Version #1

COVID-19 Response Team Owner: David Bittner

Date of Last Review: 09/04/20

On April 24, 2020 CMS issued three transmittals that include Pricer updates due to the COVID-19 PHE. These changes will be implemented on July 6, 2020.

- Medicare Claims Processing Manual Transmittal 10058 (CR 11764) updates the Inpatient Prospective Payment System (IPPS) Pricer to include new payment policy for COVID-19.
- Medicare Claims Processing Manual Transmittal 10059 (CR 11770) updates the Prospective Payment System (PPS) for the Federally Qualified Health Center (FQHC) Pricer to implement the waiving of the coinsurance for the Families First Coronavirus Response Act.
- Medicare Claims Processing Manual Transmittal 10060 (CR 11742) updates the Long-Term Care Hospital (LTCH) Pricer to include new payment policy for COVID-19, and new payment policy for when an LTCH is subject to the discharge payment percentage payment adjustment.

Inpatient Prospective Payment System (IPPS) Pricer Update

The Coronavirus Aid, Relief, and Economic Security (CARES) Act requires a 20 percent increase to the weighting factor of the assigned DRG for an individual diagnosed with COVID-19 discharged during the COVID-19 Public Health Emergency (PHE). The IPPS Pricer will be updated to apply an adjustment factor to the MS-DRG relative weight for these discharges.

Discharges of COVID-19 patients will be identified by the presence of the following ICD-10-CM codes:

- B97.29 (Other coronavirus as the cause of diseases classified elsewhere) for discharges occurring on or after January 27, 2020, and on or before March 31, 2020.
- U07.1 (COVID-19) for discharges occurring on or after April 1, 2020, through the duration of the COVID-19 public health emergency period.

By June 1, 2020, Medicare Administrative Contractors (MACs) will identify and reprocess IPPS claims with the following criteria:

- A diagnosis code of B97.29 (in any diagnosis code field) and
 - A discharge date on or after January 27, 2020, through March 31, 2020
- OR**
- A diagnosis code of U07.1 (in any diagnosis code field) and

- A discharge date on or after April 1, 2020, through the successful implementation of the new Pricer software

Federal Qualified Health Center (FQHC) Pricer Update

The Federally Qualified Health Center (FQHC) Pricer will be updated on July 1, 2020 to implement the waiving of the coinsurance for the “Families First Coronavirus Response Act”. During the COVID-19 PHE, coinsurance can be waived for services that are related to COVID-19 testing. For services in which the coinsurance is waived, FQHCs must include the “CS” modifier (subject to the cost-sharing waiver for COVID-19 testing-related services) on the claim. FQHCs should not collect coinsurance from beneficiaries if they choose to waive coinsurance for services related to COVID-19 testing.

Long-Term Care Hospital (LTCH) Prospective Payment System (PPS) Pricer Update

The Pricer update also includes the new payment policy for COVID-19. The CARES Act allows for the following:

- Waives the payment adjustment for LTCHs that do not have a DPP of at least 50 percent during the COVID-19 PHE period. All admissions during the COVID-19 PHE period will be counted as discharges paid the LTCH Prospective Payment System (PPS) standard Federal payment rate.
- Waives the application of the site neutral payment rate for those LTCH admissions that are in response to the PHE and occur during the COVID-19 PHE period. The claims processing systems will be updated to pay all LTCH cases admitted during the COVID-19 PHE period the LTCH PPS standard Federal rate, effective for claims with an admission date occurring on or after January 27, 2020.
- Waiver to exclude patient stays where an LTCH admits or discharges patients in order to meet the demands of the emergency from the 25-day average length of stay requirement, which allows these facilities to be paid as LTCHs. During the applicable waiver time period, CMS will also apply this waiver to facilities not yet classified as LTCHs but are seeking classification as an LTCH.

References:

<https://www.cms.gov/files/document/r10058cp.pdf>
<https://www.cms.gov/files/document/mm11764.pdf>
<https://www.cms.gov/files/document/r10059cp.pdf>
<https://www.cms.gov/files/document/r10060cp.pdf>
<https://www.cms.gov/files/document/mm11742.pdf>

We appreciate your support as we work Together to ensure the safety of our patients, and community at large.