

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1958</b>	<b>Date: April 28, 2010</b>
	<b>Change Request 6916</b>

**NOTE: This instruction was inadvertently transmitted in the policy section of the business requirement with incorrect final rules for FY of 2011. The correct FY is 2010. The business requirement has been revised. The transmittal number, date issued and all other information remain the same.**

**SUBJECT: Skilled Nursing Facility (SNF) Health Insurance Prospective Payment System (HIPPS) Coding Updates Effective October 1, 2010**

**I. SUMMARY OF CHANGES:** This instruction contains new HIPPS codes resulting from the conversion to the new RUG-IV coding system

**EFFECTIVE DATE: \*October 1, 2010**

**IMPLEMENTATION DATE: October 4, 2010**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	6/30/Billing SNF PPS Services
R	6/30.1/Health Insurance Prospective Payment System (HIPPS) Rate Code
R	6/30.6.2/SNF PPS Rate Components
R	6/30.6.3/Decision Logic Used by the Pricer on Claims

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**  
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined

in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

#### **IV. ATTACHMENTS:**

**Business Requirements**

**Manual Instruction**

*\*Unless otherwise specified, the effective date is the date of service.*



		M A C	M A C		R I E R	I	F I S S	M C S	V M S	C W F	
6916.1	Medicare contractors shall <u>add</u> the attached list of new HIPPS codes to their claims processing systems effective for claims with dates of service on or after October 1, 2010.	X		X			X				COB C

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I  M A C	C A R R I E R	R H I	Shared-System Maintainers				OTH ER
						F I S S	M C S	V M S	C W F		
6916.2	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin.</p> <p>Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X							

### IV. SUPPORTING INFORMATION

**Section a: for any recommendations and supporting information associated with listed requirements, use the box below: N/A**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space: N/A**

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Jason Kerr, [Jason.Kerr@cms.hhs.gov](mailto:Jason.Kerr@cms.hhs.gov) (for SNF claims processing), Julie Stankivic, [Julie.Stankivic@cms.hhs.gov](mailto:Julie.Stankivic@cms.hhs.gov) (for SNF PPS policy)

**Post-Implementation Contact(s):** Appropriate Regional Office.  
<http://www.cms.hhs.gov/MyHealthMyMedicare/Downloads/regionalmap.pdf> or Medicare Administrative Contractor Project Officer

## **VI. FUNDING**

**Section A: For *Fiscal Intermediaries (FIs)*, *Carriers*, and *Regional Home Health Intermediaries (RHHIs)* use only one of the following statements:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

## **ATTACHMENT**

The following codes are added effective 10/01/10:

CD101	RUX06
CD104	RUX10
CD105	RUX12
CD106	RUX13
CD110	RUX14
CD111	RUX15
CD112	RUX16
CD113	RUX20
CD114	RUX21
CD115	RUX22
CD116	RUX23
CD117	RUX24
CD120	RUX25
CD121	RUX26
CD124	RUX36
CD125	RUX46
CD126	RUX50
CD130	RUX51
CD131	RUX52
CD134	RUX53
CD135	RUX55
CD136	RUX56
CD140	RUX60
CD141	RUL06
CD144	RUL10
CD145	RUL12
CD146	RUL13
CD150	RUL14
CD151	RUL15
CD154	RUL16
CD155	RUL20
CD156	RUL21
CD160	RUL22
CD201	RUL23
CD204	RUL24
CD205	RUL25
CD206	RUL26
CD210	RUL36
CD211	RUL46
CD212	RUL50
CD213	RUL51
CD214	RUL52
CD215	RUL53
CD216	RUL55
CD217	RUL56
CD220	RUL60

CD221	RVX06
CD224	RVX10
CD225	RVX12
CD226	RVX13
CD230	RVX14
CD231	RVX15
CD234	RVX16
CD235	RVX20
CD236	RVX21
CD240	RVX22
CD241	RVX23
CD244	RVX24
CD245	RVX25
CD246	RVX26
CD250	RVX36
CD251	RVX46
CD254	RVX50
CD255	RVX51
CD256	RVX52
CD260	RVX53
CE101	RVX55
CE104	RVX56
CE105	RVX60
CE106	RVL06
CE110	RVL10
CE111	RVL12
CE112	RVL13
CE113	RVL14
CE114	RVL15
CE115	RVL16
CE116	RVL20
CE117	RVL21
CE120	RVL22
CE121	RVL23
CE124	RVL24
CE125	RVL25
CE126	RVL26
CE130	RVL36
CE131	RVL46
CE134	RVL50
CE135	RVL51
CE136	RVL52
CE140	RVL53
CE141	RVL55
CE144	RVL56
CE145	RVL60
CE146	RHX06

CE150	RHX10
CE151	RHX12
CE154	RHX13
CE155	RHX14
CE156	RHX15
CE160	RHX16
CE201	RHX20
CE204	RHX21
CE205	RHX22
CE206	RHX23
CE210	RHX24
CE211	RHX25
CE212	RHX26
CE213	RHX36
CE214	RHX46
CE215	RHX50
CE216	RHX51
CE217	RHX52
CE220	RHX53
CE221	RHX55
CE224	RHX56
CE225	RHX60
CE226	RHL06
CE230	RHL10
CE231	RHL12
CE234	RHL13
CE235	RHL14
CE236	RHL15
CE240	RHL16
CE241	RHL20
CE244	RHL21
CE245	RHL22
CE246	RHL23
CE250	RHL24
CE251	RHL25
CE254	RHL26
CE255	RHL36
CE256	RHL46
CE260	RHL50
ES101	RHL51
ES104	RHL52
ES105	RHL53
ES106	RHL55
ES110	RHL56
ES111	RHL60
ES112	RMX06
ES113	RMX10



ES114	RMX12
ES115	RMX13
ES116	RMX14
ES117	RMX15
ES120	RMX16
ES121	RMX20
ES124	RMX21
ES125	RMX22
ES126	RMX23
ES130	RMX24
ES131	RMX25
ES134	RMX26
ES135	RMX36
ES136	RMX46
ES140	RMX50
ES141	RMX51
ES144	RMX52
ES145	RMX53
ES146	RMX55
ES150	RMX56
ES151	RMX60
ES154	RML06
ES155	RML10
ES156	RML12
ES160	RML13
ES201	RML14
ES204	RML15
ES205	RML16
ES206	RML20
ES210	RML21
ES211	RML22
ES212	RML23
ES213	RML24
ES214	RML25
ES215	RML26
ES216	RML36
ES217	RML46
ES220	RML50
ES221	RML51
ES224	RML52
ES225	RML53
ES226	RML55
ES230	RML56
ES231	RML60
ES234	RLX06
ES235	RLX10
ES236	RLX12

ES240	RLX13
ES241	RLX14
ES244	RLX15
ES245	RLX16
ES246	RLX20
ES250	RLX21
ES251	RLX22
ES254	RLX23
ES255	RLX24
ES256	RLX25
ES260	RLX26
ES301	RLX36
ES304	RLX46
ES305	RLX50
ES306	RLX51
ES310	RLX52
ES311	RLX53
ES312	RLX55
ES313	RLX56
ES314	RLX60
ES315	RUC06
ES316	RUC10
ES317	RUC12
ES320	RUC13
ES321	RUC14
ES324	RUC15
ES325	RUC16
ES326	RUC20
ES330	RUC21
ES331	RUC22
ES334	RUC23
ES335	RUC24
ES336	RUC25
ES340	RUC26
ES341	RUC36
ES344	RUC46
ES345	RUC50
ES346	RUC51
ES350	RUC52
ES351	RUC53
ES354	RUC55
ES355	RUC56
ES356	RUC60
ES360	RUB06
HB101	RUB10
HB104	RUB12
HB105	RUB13

HB106	RUB14
HB110	RUB15
HB111	RUB16
HB112	RUB20
HB113	RUB21
HB114	RUB22
HB115	RUB23
HB116	RUB24
HB117	RUB25
HB120	RUB26
HB121	RUB36
HB124	RUB46
HB125	RUB50
HB126	RUB51
HB130	RUB52
HB131	RUB53
HB134	RUB55
HB135	RUB56
HB136	RUB60
HB140	RUA06
HB141	RUA10
HB144	RUA12
HB145	RUA13
HB146	RUA14
HB150	RUA15
HB151	RUA16
HB154	RUA20
HB155	RUA21
HB156	RUA22
HB160	RUA23
HB201	RUA24
HB204	RUA25
HB205	RUA26
HB206	RUA36
HB210	RUA46
HB211	RUA50
HB212	RUA51
HB213	RUA52
HB214	RUA53
HB215	RUA55
HB216	RUA56
HB217	RUA60
HB220	RVC06
HB221	RVC10
HB224	RVC12
HB225	RVC13
HB226	RVC14

HB230	RVC15
HB231	RVC16
HB234	RVC20
HB235	RVC21
HB236	RVC22
HB240	RVC23
HB241	RVC24
HB244	RVC25
HB245	RVC26
HB246	RVC36
HB250	RVC46
HB251	RVC50
HB254	RVC51
HB255	RVC52
HB256	RVC53
HB260	RVC55
HC101	RVC56
HC104	RVC60
HC105	RVB06
HC106	RVB10
HC110	RVB12
HC111	RVB13
HC112	RVB14
HC113	RVB15
HC114	RVB16
HC115	RVB20
HC116	RVB21
HC117	RVB22
HC120	RVB23
HC121	RVB24
HC124	RVB25
HC125	RVB26
HC126	RVB36
HC130	RVB46
HC131	RVB50
HC134	RVB51
HC135	RVB52
HC136	RVB53
HC140	RVB55
HC141	RVB56
HC144	RVB60
HC145	RVA06
HC146	RVA10
HC150	RVA12
HC151	RVA13
HC154	RVA14
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HC156	RVA16
HC160	RVA20
HC201	RVA21
HC204	RVA22
HC205	RVA23
HC206	RVA24
HC210	RVA25
HC211	RVA26
HC212	RVA36
HC213	RVA46
HC214	RVA50
HC215	RVA51
HC216	RVA52
HC217	RVA53
HC220	RVA55
HC221	RVA56
HC224	RVA60
HC225	RHC06
HC226	RHC10
HC230	RHC12
HC231	RHC13
HC234	RHC14
HC235	RHC15
HC236	RHC16
HC240	RHC20
HC241	RHC21
HC244	RHC22
HC245	RHC23
HC246	RHC24
HC250	RHC25
HC251	RHC26
HC254	RHC36
HC255	RHC46
HC256	RHC50
HC260	RHC51
HD101	RHC52
HD104	RHC53
HD105	RHC55
HD106	RHC56
HD110	RHC60
HD111	RHB06
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HD115	RHB14
HD116	RHB15
HD117	RHB16

HD120	RHB20
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HD124	RHB22
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HD130	RHB25
HD131	RHB26
HD134	RHB36
HD135	RHB46
HD136	RHB50
HD140	RHB51
HD143	RHB52
HD144	RHB53
HD145	RHB55
HD146	RHB56
HD150	RHB60
HD151	RHA06
HD154	RHA10
HD155	RHA12
HD156	RHA13
HD160	RHA14
HD201	RHA15
HD204	RHA16
HD205	RHA20
HD206	RHA21
HD210	RHA22
HD211	RHA23
HD212	RHA24
HD213	RHA25
HD214	RHA26
HD215	RHA36
HD216	RHA46
HD217	RHA50
HD220	RHA51
HD221	RHA52
HD224	RHA53
HD225	RHA55
HD226	RHA56
HD230	RHA60
HD231	RMC06
HD234	RMC10
HD235	RMC12
HD236	RMC13
HD240	RMC14
HD241	RMC15
HD244	RMC16
HD245	RMC20

HD246	RMC21
HD250	RMC22
HD251	RMC23
HD254	RMC24
HD255	RMC25
HD256	RMC26
HD260	RMC36
HE101	RMC46
HE104	RMC50
HE105	RMC51
HE106	RMC52
HE110	RMC53
HE111	RMC55
HE112	RMC56
HE113	RMC60
HE114	RMB06
HE115	RMB10
HE116	RMB12
HE117	RMB13
HE120	RMB14
HE121	RMB15
HE124	RMB16
HE125	RMB20
HE126	RMB21
HE130	RMB22
HE131	RMB23
HE134	RMB24
HE135	RMB25
HE136	RMB26
HE140	RMB36
HE141	RMB46
HE144	RMB50
HE145	RMB51
HE146	RMB52
HE150	RMB53
HE151	RMB55
HE154	RMB56
HE155	RMB60
HE156	RMA06
HE160	RMA10
HE201	RMA12
HE204	RMA13
HE205	RMA14
HE206	RMA15
HE210	RMA16
HE211	RMA20
HE212	RMA21

HE213	RMA22
HE214	RMA23
HE215	RMA24
HE216	RMA25
HE217	RMA26
HE220	RMA36
HE221	RMA46
HE224	RMA50
HE225	RMA51
HE226	RMA52
HE230	RMA53
HE231	RMA55
HE234	RMA56
HE235	RMA60
HE236	RLB06
HE240	RLB10
HE241	RLB12
HE244	RLB13
HE245	RLB14
HE246	RLB15
HE250	RLB16
HE251	RLB20
HE254	RLB21
HE255	RLB22
HE256	RLB23
HE260	RLB24
LB101	RLB25
LB104	RLB26
LB105	RLB36
LB106	RLB46
LB110	RLB50
LB111	RLB51
LB112	RLB52
LB113	RLB53
LB114	RLB55
LB115	RLB56
LB116	RLB60
LB117	RLA06
LB120	RLA10
LB121	RLA12
LB124	RLA13
LB125	RLA14
LB126	RLA15
LB130	RLA16
LB131	RLA20
LB134	RLA21
LB135	RLA22



LB136	RLA23
LB140	RLA24
LB141	RLA25
LB144	RLA26
LB145	RLA36
LB146	RLA46
LB150	RLA50
LB151	RLA51
LB154	RLA52
LB155	RLA53
LB156	RLA55
LB160	RLA56
LB201	RLA60
LB204	CC201
LB205	CC204
LB206	CC205
LB210	CC206
LB211	CC210
LB212	CC211
LB213	CC212
LB214	CC213
LB215	CC214
LB216	CC215
LB217	CC216
LB220	CC217
LB221	CC220
LB224	CC221
LB225	CC224
LB226	CC225
LB230	CC226
LB231	CC230
LB234	CC231
LB235	CC234
LB236	CC235
LB240	CC236
LB241	CC240
LB244	CC241
LB245	CC244
LB246	CC245
LB250	CC246
LB251	CC250
LB254	CC251
LB255	CC254
LB256	CC255
LB260	CC256
LC101	CC260
LC104	CC101

LC105	CC104
LC106	CC105
LC110	CC106
LC111	CC110
LC112	CC111
LC113	CC112
LC114	CC113
LC115	CC114
LC116	CC115
LC117	CC116
LC120	CC117
LC121	CC120
LC124	CC121
LC125	CC124
LC126	CC125
LC130	CC126
LC131	CC130
LC134	CC131
LC135	CC134
LC136	CC135
LC140	CC136
LC141	CC140
LC144	CC141
LC145	CC144
LC146	CC145
LC150	CC146
LC151	CC150
LC154	CC151
LC155	CC154
LC156	CC155
LC160	CC156
LC201	CC160
LC204	CB201
LC205	CB204
LC206	CB205
LC210	CB206
LC211	CB210
LC212	CB211
LC213	CB212
LC214	CB213
LC215	CB214
LC216	CB215
LC217	CB216
LC220	CB217
LC221	CB220
LC224	CB221
LC225	CB224

LC226	CB225
LC230	CB226
LC231	CB230
LC234	CB231
LC235	CB234
LC236	CB235
LC240	CB236
LC241	CB240
LC244	CB241
LC245	CB244
LC246	CB245
LC250	CB246
LC251	CB250
LC254	CB251
LC255	CB254
LC256	CB255
LC260	CB256
LD101	CB260
LD104	CB101
LD105	CB104
LD106	CB105
LD110	CB106
LD111	CB110
LD112	CB111
LD113	CB112
LD114	CB113
LD115	CB114
LD116	CB115
LD117	CB116
LD120	CB117
LD121	CB120
LD124	CB121
LD125	CB124
LD126	CB125
LD130	CB126
LD131	CB130
LD134	CB131
LD135	CB134
LD136	CB135
LD140	CB136
LD141	CB140
LD144	CB141
LD145	CB144
LD146	CB145
LD150	CB146
LD151	CB150
LD154	CB151

LD155	CB154
LD156	CB155
LD160	CB156
LD201	CB160
LD204	CA201
LD205	CA204
LD206	CA205
LD210	CA206
LD211	CA210
LD212	CA211
LD213	CA212
LD214	CA213
LD215	CA214
LD216	CA215
LD217	CA216
LD220	CA217
LD221	CA220
LD224	CA221
LD225	CA224
LD226	CA225
LD230	CA226
LD231	CA230
LD234	CA231
LD235	CA234
LD236	CA235
LD240	CA236
LD241	CA240
LD244	CA241
LD245	CA244
LD246	CA245
LD250	CA246
LD251	CA250
LD254	CA251
LD255	CA254
LD256	CA255
LD260	CA256
LE101	CA260
LE104	CA101
LE105	CA104
LE106	CA105
LE110	CA106
LE111	CA110
LE112	CA111
LE113	CA112
LE114	CA113
LE115	CA114
LE116	CA115

LE117	CA116
LE120	CA117
LE121	CA120
LE124	CA121
LE125	CA124
LE126	CA125
LE130	CA126
LE131	CA130
LE134	CA131
LE135	CA134
LE136	CA135
LE140	CA136
LE141	CA140
LE144	CA141
LE145	CA144
LE146	CA145
LE150	CA146
LE151	CA150
LE154	CA151
LE155	CA154
LE156	CA155
LE160	CA156
LE201	CA160
LE204	BB201
LE205	BB204
LE206	BB205
LE210	BB206
LE211	BB210
LE212	BB211
LE213	BB212
LE214	BB213
LE215	BB214
LE216	BB215
LE217	BB216
LE220	BB217
LE221	BB220
LE224	BB221
LE225	BB224
LE226	BB225
LE230	BB226
LE231	BB230
LE234	BB231
LE235	BB234
LE236	BB235
LE240	BB236
LE241	BB240
LE244	BB241

LE245	BB244
LE246	BB245
LE250	BB246
LE251	BB250
LE254	BB251
LE255	BB254
LE256	BB255
LE260	BB256
PE201	BB260
PE204	BB101
PE205	BB104
PE206	BB105
PE210	BB106
PE211	BB110
PE212	BB111
PE213	BB112
PE214	BB113
PE215	BB114
PE216	BB115
PE217	BB116
PE220	BB117
PE221	BB120
PE224	BB121
PE225	BB124
PE226	BB125
PE230	BB126
PE231	BB130
PE234	BB131
PE235	BB134
PE236	BB135
PE240	BB136
PE241	BB140
PE244	BB141
PE245	BB144
PE246	BB145
PE250	BB146
PE251	BB150
PE254	BB151
PE255	BB154
PE256	BB155
PE260	BB156
PE101	BB160
PE104	BA201
PE105	BA204
PE106	BA205
PE110	BA206
PE111	BA210

PE112	BA211
PE113	BA212
PE114	BA213
PE115	BA214
PE116	BA215
PE117	BA216
PE120	BA217
PE121	BA220
PE124	BA221
PE125	BA224
PE126	BA225
PE130	BA226
PE131	BA230
PE134	BA231
PE135	BA234
PE136	BA235
PE140	BA236
PE141	BA240
PE144	BA241
PE145	BA244
PE146	BA245
PE150	BA246
PE151	BA250
PE154	BA251
PE155	BA254
PE156	BA255
PE160	BA256
PD201	BA260
PD204	BA101
PD205	BA104
PD206	BA105
PD210	BA106
PD211	BA110
PD212	BA111
PD213	BA112
PD214	BA113
PD215	BA114
PD216	BA115
PD217	BA116
PD220	BA117
PD221	BA120
PD224	BA121
PD225	BA124
PD226	BA125
PD230	BA126
PD231	BA130
PD234	BA131

PD235	BA134
PD236	BA135
PD240	BA136
PD241	BA140
PD244	BA141
PD245	BA144
PD246	BA145
PD250	BA146
PD251	BA150
PD254	BA151
PD255	BA154
PD256	BA155
PD260	BA156
PD101	BA160
PD104	AAA00
PD105	AAA01
PD106	AAA02
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PD156	AAA40
PD160	AAA41
PC201	AAA42



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### **30 - Billing SNF PPS Services**

*(Rev., 1958; Issued: 04-28-10; Effective Date: 10-01-10; Implementation Date: 10-04-10)*

SNFs and hospital swing bed providers are required to report inpatient Part A PPS billing data as follows. Refer to the Medicare Claims Processing Manual, Chapter 25, "Completing and Processing the UB-04 (CMS-1450) Data Set," for further information about billing, as it contains UB-04 data elements and the corresponding fields in the electronic record:

- In addition to the required fields identified in the Medicare Claims Processing Manual, Chapter 25, "Completing and Processing the UB-04 (CMS-1450) Data Set," SNFs must also report occurrence span code "70" to indicate the dates of a qualifying hospital stay of at least three consecutive days which qualifies the beneficiary for SNF services.
- Separate bills are required for each Federal fiscal year for admissions that span the annual update effective date (October 1.)
- Use Type of Bill 21X for SNF inpatient services or 18X for hospital swing bed services.
- Revenue Code 0022. This code indicates that this claim is being paid under the SNF PPS. This revenue code can appear on a claim as often as necessary to indicate different HIPPS Rate Code(s) and assessment periods.
- There must be a line item on the claim for each assessment period represented on the claim with revenue code 0022. This code indicates that this claim is being paid under SNF PPS. This revenue code can appear on a claim as often as necessary to indicate different HIPPS rate code(s) and assessment periods.
- The line item date of service date must contain an assessment reference date (ARD) when revenue code 0022 is present unless the HIPPS rate code is AAA00.
- HCPCS/Rates field must contain a 5-digit "HIPPS Code". The first three positions of the code contain the RUG group and the last two positions of the code contain a 2-digit assessment indicator (AI) code. See Tables 1 and 2 below for valid RUG codes and AI codes.
- Service Units must contain the number of covered days for each HIPPS rate code.

**NOTE:** Fiscal Intermediary Shared System (FISS) requirement:

The sum of all covered units reported on all revenue code 0022 lines should be equal to the covered days field less the number of days reported in an OSC 77. (Note: The covered units field is utilized in FISS and has no mapping to the 837 or paper claim).

- Total Charges should be zero for revenue code 0022.

- When a HIPPS rate code of RUAxx, RUBxx , RUCxx, RULxx and/or RUXxx is present, a minimum of two rehabilitation therapy ancillary codes are required (revenue code 042x and/or, 043x and/or, 044x). When a HIPPS rate code of RHAxx, RHBxx, RHCxx, RHLxx, RHXxx, RLAxx, RLBxx, RLXxx, RMAxx, RMBxx, RMCxx, RMLxx, RMXxx, RVAxx, RVBxx, RVCxx, RVLxx, and/or RVXxx is present, a minimum of one rehabilitation therapy ancillary revenue code is required (revenue code 042x, 043x, or 044x). Bills that are missing required rehabilitation therapy ancillary revenue codes are to be returned to the SNF for resubmission.
- The accommodation revenue code 018x, leave of absence is reported when the beneficiary is on a leave of absence and is not present at the midnight census taking time.
- Principal Diagnosis Code - SNFs enter the ICD-CM code for the principal diagnosis in the appropriate form locator. The code must be reported according to Official ICD-CM Guidelines for Coding and Reporting, as required by the Health Insurance Portability and Accountability Act (HIPAA), including any applicable guidelines regarding the use of V codes. The code must be the full ICD-CM diagnosis code, including all five digits where applicable.
- Other Diagnosis Codes Required – The SNF enters the full ICD-CM codes for up to eight additional conditions in the appropriate form locator. Medicare does not have any additional requirements regarding the reporting or sequence of the codes beyond those contained in the ICD-CM guidelines.

**NOTE:** Information regarding the form locator numbers that correspond to these data element names and a table to crosswalk UB-04 form locators to the 837 transaction is found in Chapter 25.

### **30.1 - Health Insurance Prospective Payment System (HIPPS) Rate Code** *(Rev., 1958; Issued: 04-28-10; Effective Date: 10-01-10; Implementation Date: 10-04-10)*

The HIPPS rate code consists of the three-character resource utilization group (RUG) code that is obtained from the “Grouper” software program followed by a 2-digit assessment indicator (AI) that specifies the type of assessment associated with the RUG code obtained from the Grouper. SNFs must use the version of the Grouper software program identified by CMS for national PPS as described in the Federal Register for that year. The Grouper translates the data in the Long Term Care Resident Instrument into a case-mix group and assigns the correct RUG code. *Effective for dates of service on or after October 1, 2010*, the Grouper will automatically assign the 2-digit AI.

Providers may access the following link for HIPPS code information:

[http://www.cms.hhs.gov/PropMedicareFeeSvcPmtGen/02\\_HIPPSCodes.asp#TopOfPage](http://www.cms.hhs.gov/PropMedicareFeeSvcPmtGen/02_HIPPSCodes.asp#TopOfPage)

*The above link includes documents that contain the complete list of RUG codes and AIs billed for Part A SNF stays. Definitions and usage of each code are included. In addition, a master file of all valid/termed HIPPS codes is provided.*

The HIPPS rate code that appears on the claim must match the assessment that has been transmitted and accepted by the State in which the facility operates. The SNF may bill the program only after:

- An assessment has been completed and submitted to the State RAI Database;
- A Final Validation Report indicating that the assessment has been accepted by the state; and
- The covered day has actually been used.

SNFs that submit claims that have not completed this process will not be paid. It is important to remember that the record will be accepted into the State RAI database, even if the calculated RUG code differs from the submitted values. The error will be flagged on the final validation report by issuing a warning message and listing the correct RUG code. When such discrepancies occur, the RUG code reported on the Final Validation Report shall be used for billing purposes.

### **30.6.2 – SNF PPS Rate Components**

*(Rev., 1958; Issued: 04-28-10; Effective Date: 10-01-10; Implementation Date: 10-04-10)*

The SNF PPS rate for each RUG group consists of 3 components: a nursing component, a therapy component and a non-case-mix adjusted component. The following describes the rate components used for SNF PPS:

--The nursing per diem amount is a standard amount which includes direct nursing care and the cost of non-therapy ancillary services required by Medicare beneficiaries.

--The nursing index is based on the amount of staff time, weighted by salary levels, associated with each RUG group. This index represents the amount of nursing time associated with caring for beneficiaries who qualify for the group.

The nursing per diem amount is case-mix adjusted by applying the nursing index. The result is the nursing component for that RUG group.

--The therapy per diem amount is a standard amount which includes physical, occupational, and speech-language therapy services provided to beneficiaries in a Part A stay. Payment varies based on the actual therapy resource minutes received by the beneficiary and reported on the MDS;

--The therapy index is based on the amount of staff time, weighted by salary levels, associated with each RUG group. This index represents the amount of rehabilitation treatment time associated with caring for beneficiaries who qualify for the group.



If the RUG group is in the Rehabilitation plus Extensive Services or Rehabilitation category, the therapy per diem amount is case-mix adjusted by applying the therapy index. The result is the therapy component for that Rehabilitation RUG group.

--The non-case-mix therapy component is a standard amount to cover the cost of therapy assessments of beneficiaries who were determined not to need continued therapy services.

If the RUG group is not in the Rehabilitation plus Extensive Services or Rehabilitation category, this payment is added to the rate as therapy component for that RUG group.

--The non-case-mix component is also a standard amount added to the rate for each RUG group to cover administrative and capital-related costs.

This standard amount is added to all RUG groups.

### **30.6.3 - Decision Logic Used by the Pricer on Claims**

*(Rev., 1958; Issued: 04-28-10; Effective Date: 10-01-10; Implementation Date: 10-04-10)*

The SNF Pricer shall calculate the rate for each line item with revenue code 0022 on a SNF claim. The SNF Pricer shall determine the rate using the following information:

- “HIPPS-CODE” on line item 0022;
- “CBSA”
- Per diem amounts defined within the Pricers as types of rate based on the statement covers “THRU-DATE”:  
Inpatient rate = Nursing case mix component  
General service rate = Non-case-mix component  
Therapy rate = Therapy non-case mix component  
Rehabilitation rate = Therapy case-mix component
- Labor and non labor percentages based on the statement covers “THRU-DATE”;
- Wage index, “SNF-FED BLEND” year, and “SNF-FACILITY RATE” based on the statement covers “THRU\_DATE”
- Rate adjustments applicable to the specific RUG code;
- Nursing index based on the RUG code;
- Therapy index based on the rehabilitation RUG code;

On input records with TOB 21x (that is, all provider submitted claims and provider or FI initiated adjustments), Pricer will perform the following calculations in numbered order for each RUG code:

- (1) Multiply the applicable urban or rural inpatient rate depending on CBSA by the nursing index;

- (2) Multiply the applicable urban or rural rehab rate by the therapy index, add to (1);
- (3) For the top 23 RUG categories, add the general service rate to the sum of (1) and (2) for the (non-wage-adjusted) total PPS rate and proceed to step (4); **OR** for the lower 43 RUG categories, add the general service rate to the therapy rate to the sum of (1) and (2) for the (non-wage-adjusted) total PPS rate and proceed to step (4);
- (4) Multiply the sum of (3) by the labor percentage then multiply the product by the applicable wage index;
- (5) Multiply the sum of (3) by the non-labor percentage;
- (6) Add the product of (5) to the non-labor product in (4) for the (wage-adjusted) total PPS rate.

Conditional Steps completed if applicable after (6):

(6a) If diagnosis code 042 is present, multiply (6) by 2.28 and proceed to (7)– Effective October 1, 2004, for the FY 2005 Pricer, this represents the 128% AIDS adjustment implemented with Section 511 of the MMA.