

August 6, 2013

New Transmittal for both the SNF, 2540-10 and ESRD, 265-11

On 8/2/2013, we updated the software for the Interface, Hospital, SNF, ESRD, HHA, HO, RHC, Hospice, CORF/CMHC, OPO, CHDR and LTCIR systems. The primary reason for this update is to implement CMS changes, repair software issues, and implement additional features. This update included the new Transmittal #11 for the 222-92, RHC/FQHC system, for which HFS was approved by CMS on 7/29/2013. T.11 is effective (MUST be used) for FY overlapping 4/1/2013, for the Sequestration reduction (i.e. all FYE on or after 4/1/2013 MUST use Transmittal 11). In addition Transmittal 11 includes bad debt changes effective for FY Begin on or after 10/1/2012. This is our Version 11.1.146.0.

Since 8/2/2013, we have received CMS' approval for the SNF, 2540-10, Transmittal #5, and the ESRD, 265-11, Transmittal #2. Both are effective (MUST use these Transmittals), for FY overlapping 4/1/2013, for the Sequestration reduction (i.e. all FYE on or after 4/1/2013 MUST use SNF Transmittal 5 and ESRD Transmittal 2). In addition Transmittals 5 and 2, include bad debt changes effective for FY Begin on or after 10/1/2012. The SNF is our version 5.1.146.0, and the ESRD is our version 2.1.146.0. Both are compatible with the current Interface, version 1.46.0.0. If you have NOT updated to the 8/2/2013 release (Interface 1.46.0.0), you MUST do so prior to using the new SNF T.5 or the ESRD T.2.

SNF, 2540-10, version 5.1.146.0

The SNF, 2540-10 system was updated to Transmittal 5 by CMS, in May 2013. Transmittal 5 is effective for FY overlapping 4/1/2013, for the Sequestration reduction (i.e. all FYE on or after 4/1/2013 MUST use Transmittal 5). In addition Transmittal 5 includes bad debt changes effective for FY Begin on or after 10/1/2012. (D001-00-007658)

- HFS was approved for Transmittal 5 on July 31, 2013.
- Transmittal 5 changes included:
 - CMS revised Worksheet S-2, Part I, line 43 to only identify providers with Home Office cost allocations. If line 43 is answered as "Y", line 44 and 45-47 must also be completed. If a provider has related organization costs but no home office, Worksheet S-2, Part I, line 18 will be answered "Y", but line 43 would be "N".
 - CMS clarified that Worksheet D-1, Part II, is not applicable to Titles V or XIX.
 - CMS modified various settlement worksheets to introduce the 2% Sequestration reduction for services on or after 4/1/2013.
 - This change is to implement section 251A of the Balanced Budget and Emergency Deficit Control Act
 - Sequestration will be computed as days on or after 4/1/2013 divided by total days in the FY, times 2%. Thus, a 6/30/2013 FYE would have about a half percent reduction. Worksheets impacted include, Worksheet E, Part I (lines 14.99 and 28.99), Worksheet H-4 (line 30.99), Worksheet I-3 (line 25.01) and Worksheet J-3 (line 17.01)
 - §3101 of the Middle Class Tax Relief and Job Creation Act of 2012, reduced payments for bad debts as follows:



- Non-dual eligible - From 70% allowable to 65% allowable for cost reporting periods beginning during Federal fiscal year 2013 and subsequent fiscal years.
- SNF dual Eligible - for cost reporting periods beginning during FFY 2013, 88%, for cost reporting periods beginning during FFY 2014, 76%, for cost reporting periods beginning during FFY 2015 and Subsequent, 65%.
- CMHC, RHC and ESRD - for cost reporting periods beginning during FFY 2013, 88%, for cost reporting periods beginning during FFY 2014, 76%, for cost reporting periods beginning during FFY 2015 and Subsequent, 65%.

Worksheets impacted include, Worksheet E, Part I (lines 8 and 24.02), Worksheet I-3 (line 22.01) and Worksheet J-3 (line 13.01)

- CMS added Level one edit 1046S to ensure that If line 43 is answered as "Y", line 44 and 45-47 must also be completed. Edit 1045S was eliminated to no longer require that line 18 is answered "N".
- HFS's current version for the SNF is 5.1.146.0, posted 8/6/2013.

ESRD, 265-11, version 2.1.146.0

The ESRD, 265-11 system was updated to Transmittal 2 by CMS, in June 2013. Transmittal 2 is effective for FY overlapping 4/1/2013, for the Sequestration reduction (i.e. all FYE on or after 4/1/2013 MUST use Transmittal 2). In addition Transmittal 2 includes bad debt changes effective for FY Begin on or after 10/1/2012. (D001-00-007126)

- HFS was approved for Transmittal 2 on August 5, 2013.
- Transmittal 2 changes included:
 - Effective for cost reporting periods ending on or after 12/31/2012 ESRD facilities will no longer report statistics relating to Epoetin or Aranesp on Worksheet S-1 lines 14 and 15 respectfully. Instead all erythropoiesis stimulating agent (ESA) statistics will be reported on line 15.01-15.99. Each type of ESA administered should be reported as a separate subscript beginning with line 15.01.
 - Rebates taken on epoetin and aranesp purchased between 1/1/2011 and 12/31/2011 will be reported on Worksheet A-2, lines 19 and 20 respectively. Effective for purchases on or after 1/1/2012 rebates received for each ESA will be reported on Worksheet A-2, line 20.01 and subsequent subscripts of line 20.
 - The instructions to Worksheet D, Column 4.02 and 6.02, were clarified to indicate that these columns should be used to report services rendered on or after 1/1/2014, for cost reporting periods that straddle 1/1/2014.
 - Revised the instructions to Worksheet E, Part I line 7.03 to calculate total deductibles at 20% of net ESRD PPS payments (line 2.03 column 2) if the sum of lines 7-7.02 is less than 20% of line 2.03, column 2)
 - §3101 of the Middle Class Tax Relief and Job Creation Act of 2012, reduced payments for ESRD bad debts ESRD for cost reporting periods beginning during FFY 2013, 88%, for cost reporting periods beginning during FFY 2014, 76%, for cost reporting periods beginning during FFY 2015 and Subsequent, 65%. The bad debt reduction is implemented on Worksheet E, Part I, line 16. In addition, for cost reporting periods beginning on or after 1/1/2013, the ESRD bad debts will no longer be limited to the unrecovered costs for Medicare ESRD services.



- Sequestration will be computed as days on or after 4/1/2013 divided by total days in the FY, times 2%. Thus, a 6/30/2013 FYE would have about a half percent reduction. Sequestration is implemented on Worksheet E, Part I, line 19.
- CMS added level one edit 1000D to ensure total treatments on Worksheet D, column 1, line 11 are greater than -0-.
- CMS added level one edit 1000E to ensure that if Medicare visits were reported on Worksheet D, columns 4-4.02, then Medicare payments on Worksheet E, Part I, line 1 must be greater than -0-.
- HFS's current version for the ESRD is 2.1.146.0, posted 8/6/2013.
- HFS's current version for the ESRD is 2.1.146.0, posted 8/6/2013.