



Processing Veterans Administration (VA) Inpatient Claims Exempt from Present on Admission (POA) Reporting

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PROVIDER TYPES AFFECTED

This MLN Matters Article is intended for VA providers submitting inpatient claims to Medicare Administrative Contractors (MACs) for inpatient services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

CR 11053 ensures that Medicare Severity Diagnosis Related Group (MS-DRG) Grouper does not apply the Hospital Acquired Condition (HAC) – Present on Admission (POA) logic to VA inpatient claims exempt from reporting POA indicators. Make sure your billing staffs are aware of this update.

BACKGROUND

The HAC-POA payment provision required by the Deficit Reduction Act of 2005 (DRA) applies only to Inpatient Prospective Payment System (IPPS) hospitals. Therefore, VA hospitals are exempt from reporting POA and End of POA Indicators. An End of POA indicator 'X' is necessary so that the IPPS grouper software will not apply HAC DRG logic to these claims. The 'X' indicator would replace the End of POA 'Z' indicator, if present.

CR 11053 does not contain new policy. The purpose is to instruct the Fiscal Intermediary Shared System (FISS) to code an 'X' to the end of the K3 segment (DDE, hardcopy, or EMC modes of entry) so that Grouper will know not to apply the HAC DRG logic to these claims.

ADDITIONAL INFORMATION

The official instruction, CR 11053, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R2231OTN.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
January 25, 2019	Initial article released.

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