



Display PARHM Claim Payment Amounts

MLN Matters Number: MM11355 **Revised**

Related Change Request (CR) Number: 11355

Related CR Release Date: **November 4, 2019**

Effective Date: January 1, 2020

Related CR Transmittal Number: **R233DEMO**

Implementation Date: January 6, 2020

Note: We revised this article on November 5, 2019, to reflect the revised CR11355 issued on November 4. The Background Section of the CR was revised. The last sentence of the first paragraph of the Background Section of this article reflects the revised CR language. Also, we revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.

PROVIDER TYPES AFFECTED

This MLN Matters Article is for hospitals participating in the Pennsylvania Rural Health Model (PARHM) and billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR11355 announces creation of a protected line level field to house the line level payment amount for the PARHM. This field will represent the actual amount Medicare paid for the line. Make sure your billing staffs are aware of these changes.

BACKGROUND

The Pennsylvania Rural Health Model changes Medicare reimbursement for hospital participants in the following way: rather than typical Fee-for-Service (FFS) claims reimbursement for certain services, Medicare makes every-other-week, lump sum payments to participating hospitals for those services. Each of these payments is equal to 1/26 of the Medicare global budget amount, which is set prospectively with the potential for adjustments during the year. The Centers for Medicare & Medicaid Services (CMS) is using the Periodic Interim Payment (PIP) process to make these biweekly payments. The participating hospitals continue to submit claims to CMS as usual, but CMS does not make FFS reimbursement on services that are included in the global budget. **This means that all claims are included in the global budget and are treated as zero-pay; and pass through payments paid outside of claims, such as Direct Graduate Medical Education (DGME), organ acquisition, bad debt, etc. are non-global services and continue to be paid outside of the global budget.**

CMS records the “net reimbursement amount” as the amount that would have been paid in the absence of the global budgets. For example, if a claim from a participating hospital only includes

global budget services, the “net reimbursement amount” does not display \$0 (the amount actually paid by CMS on that claim)—instead it records whatever amount Medicare would have reimbursed the hospital in the absence of the model. The biweekly Periodic Interim Payments (PIPs) also display reimbursement amounts.

ADDITIONAL INFORMATION

The official instruction, CR11355, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R233DEMO.pdf>.

You may find information about the PARHM at <https://innovation.cms.gov/initiatives/pa-rural-health-model/>.

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
November 5, 2019	We revised this article to reflect the revised CR11355 issued on November 4. The Background Section of the CR was revised. The last sentence of the first paragraph of the Background Section of this article reflects the revised CR language. Also, we revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.
August 9, 2019	Initial article released.

Disclaimer: This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2018 American Medical Association. All rights reserved.

Copyright © 2013-2019, the American Hospital Association, Chicago, Illinois. Reproduced by CMS with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816. You may also contact us at ub04@healthforum.com.

The American Hospital Association (the “AHA”) has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.