



## Department of Health

**ANDREW M. CUOMO**  
Governor

**HOWARD A. ZUCKER, M.D., J.D.**  
Commissioner

**SALLY DRESLIN, M.S., R.N.**  
Executive Deputy Commissioner

February 8, 2017

Dear Provider:

A recent audit of the CHHA Episodic Payment System (EPS) by the Office of the State Comptroller (OSC) has determined Medicaid overpayments to a number of CHHA providers, due to claim submissions which resulted in inaccurate payments when billing for partial episodes paid as full episodes. OSC has referred their findings to the Office of the Medicaid Inspector General (OMIG) for appropriate recoupment action.

These overpayments fall into 3 major categories –

- 1) Providers receiving a full payment for a partial episode, when that provider subsequently initiated a new episode for the patient within 60 days of the beginning of the first episode; resulting in duplicate payment to the CHHA.
- 2) Providers receiving a full payment for a partial episode when the patient was subsequently enrolled in a managed long term care (MLTC) plan within 60 days of the beginning of the episode; resulting in overlapping payments. These situations could be the result of an erroneous discharge code submitted by the CHHA when the patient is discharged directly to MLTC or they could be an inadvertent situation when the patient is discharged to a non-LTC setting, but subsequently enrolls in an MLTC within 60 days of the beginning of the episode.
- 3) Providers receiving a full payment for a partial episode when the patient subsequently is admitted to another CHHA within 60 days of the beginning of the episode. These situations could be an erroneous discharge code by the CHHA when the patient is discharged directly to the other CHHA or inadvertent when the patient is discharged to home or a hospital, but subsequently is admitted to the second CHHA within 60 days of the beginning of the episode.

Since it is a responsibility of the New York State Department of Health and New York State Medicaid providers is to insure that there are no duplicate or overlapping payments for Medicaid services, all the overpayments identified by OSC as contrary to the EPS billing rules must be corrected through OMIG audit adjustment. The Department is also committed to continue to work with OMIG to insure that any future billing that results in inaccurate payments is appropriately subject to recoupment.

OSC report indicates that the majority of the overpayments were in fact based on

1. Erroneous discharge codes used by a CHHA providing multiple episodes to the same patient, or

2. An erroneous discharge code used by a CHHA for a patient who was discharged directly to a managed long term care plan.

These types of errors are clearly within the control of the billing CHHA to submit correctly in accordance with the Billing Guidelines dated April 9, 2013, posted on the NYS DOH website as follows:

#### **FULL EPISODES AND PARTIAL EPISODES**

***Claims in which the "From" and "Through" dates reflect a period of 60 days or more will result in payment for a full episode.***

***If the period of service is less than 60 days, payment will be pro-rated unless one of the following codes is reported in UB-04 Field 17 (Discharge Status):***

- 01 - Discharged to Home or Self-Care***
- 02 - Discharged/Transferred to Hospital***
- 20 - Patient Expired***
- 50 - Discharged to Hospice (Home)***
- 51 - Discharged to Hospice (Medical Facility)***

***For these exceptions, the provider will receive a full 60-day payment.***

***NOTE: If a provider receives full payment for a partial episode, in accordance with these exceptions, and then readmits the patient within 60 days of the original episode start date, the provider must file a corrected claim and must include all services within 60 days of the original start date in a single episode.***

***Providers cannot use any of the five Discharge Status codes listed above if the patient is transferred to Managed Long Term Care or to another long-term care program (e.g. nursing home, Long Term Home Health Care Program, Personal Care Agency, Assisted Living Program).***

***The website address is:***

***[http://www.health.ny.gov/facilities/long\\_term\\_care/reimbursement/episodic/billing\\_guidelines\\_04-09-13.htm](http://www.health.ny.gov/facilities/long_term_care/reimbursement/episodic/billing_guidelines_04-09-13.htm)***

OSC has also noted a few instances where providers created a new episode apparently based on a change in rate code (due to a new OASIS, or a change in age group). Such a situation should NOT trigger a new episode. The CHHA should still bill a full 60-day episode, where applicable. In accordance with previously published billing guidance, the rate code should be based on the most recent OASIS assessment available as of the start date of the episode (or within 5 days after the start date), and the age group must match the patient's age on the "through" date of the claim.

In an effort to minimize future billing errors that could result in overpayment and eventual recoupment, all CHHA providers should check their billing systems to insure that they are in full compliance with the above-noted billing rule requirements for partial episodes.

Information regarding CHHA rates, CHHA billing questions, and other CHHA related issues may be found at [http://www.health.ny.gov/facilities/long\\_term\\_care/reimbursement/chha/](http://www.health.ny.gov/facilities/long_term_care/reimbursement/chha/). Any question on the information contained in the email can be sent to [BLTCR-CH@health.ny.gov](mailto:BLTCR-CH@health.ny.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'S. M. Simmons', with a stylized flourish at the end.

Steven M Simmons  
Director  
Bureau of Residential Health Care Reimbursement  
Division of Finance and Rate Setting  
Office of Health Insurance Programs