

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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**CENTER FOR MEDICARE  
MEDICARE PLAN PAYMENT GROUP**

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**TO:** All Medicare Advantage Organizations (MAOs), PACE Organizations, Cost Plans, and certain Demonstrations

**FROM:** Cheri Rice, Director  
Medicare Plan Payment Group

**SUBJECT:** Additional Guidance Regarding Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Encounter Data System

**DATE:** December 4, 2014

As noted in the May 23, 2014 HPMS memo, “Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Encounter Data System,” MAOs must submit a HIPPS code on a Skilled Nursing Facility (SNF) and Home Health Agency (HHA) encounter with “from” dates July 1, 2014 or later. Specifically, HIPPS codes should come from the initial OBRA-required comprehensive assessment (Admission assessment) and Outcome and Assessment Information Set (Start of Care assessment), respectively.

The purpose of this memo is to provide further guidance about this requirement for SNF encounters when no Admission assessment was completed during the Medicare Advantage (MA)-covered stay. The guidance in the May 23, 2014 memo and this memo are extended through 2015 dates of services.

MAOs shall submit the HIPPS code from the Admission assessment completed during the MA-covered SNF stay and, only if such an assessment was not completed during the MA-covered part of the stay, MAOs are to follow the guidance presented below.

- I. Stays of more than 14 days** - If the Admission assessment for a stay in the facility was completed prior to the MA-covered portion of the stay, MAOs must submit to CMS a HIPPS code by following the guidance in the order they are listed below.
  - A. Submit the HIPPS code from another assessment completed during the MA-covered portion of the stay**  
If the OBRA Admission assessment was completed for the current stay prior to the MA-covered portion of the stay, and another assessment (e.g., Quarterly Assessment or any PPS assessment required by the MAO) was completed during the MA-covered

portion of the stay, the MAO shall submit the HIPPS code generated from that other assessment on their encounter submissions to CMS.<sup>1</sup>

**B. Submit the HIPPS code from the most recent assessment that was completed prior to the MA-covered portion of the stay**

If no assessment was completed during the MA-covered portion of the stay from which a HIPPS code could be generated, the MAO shall submit to CMS the HIPPS code from the most recent OBRA or other assessment that was completed prior to the MA-covered portion of the stay (which may be the Admission assessment).<sup>1</sup>

**II. Stays of 14 days or less** – If there was no Admission assessment completed before discharge for a stay of less than 14 days, MAOs must submit to CMS a HIPPS code by following the guidance in the order they are listed below.

**A. Submit the HIPPS code from another assessment from the stay**

If no OBRA Admission assessment was completed for a SNF stay of less than 14 days, the MAO shall submit to CMS the HIPPS code from any other assessment that was completed during the stay that produces a HIPPS codes.<sup>1</sup>

**B. Submit a default HIPPS code of ‘AAA00’**

MAOs may submit a default HIPPS code for SNF encounter submissions to CMS only if (1) the SNF stay was less than 14 days within a spell of illness, (2) the beneficiary has been discharged prior to the completion of the initial OBRA Admission assessment, and (3) no other assessment was completed during the stay.<sup>2</sup> To submit a default HIPPS code to the Encounter Data System, MAOs should use the default Resource Utilization Group (RUG) code of “AAA” and Assessment Indicator “00” on encounter data submissions starting with “from” dates of service July 1, 2014.

MAOs may not use this default code in other situations, such as to avoid collecting the proper HIPPS code, or when the MAO’s systems are not prepared to submit the HIPPS code to CMS.

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<sup>1</sup> CMS understands that some MAOs require providers to conduct assessments similar to those used under traditional Medicare Part A Prospective Payment System (PPS) rules. Providers may submit to MAOs, and MAOs can submit to the Encounter Data System, HIPPS codes derived from the same item set and data specifications as those used under the SNF PPS. We note that, in such cases, providers must not to submit these assessments through the traditional PPS assessment system.

<sup>2</sup> Per the *Assessment Management Requirements and Tips for Comprehensive Assessments* (pg. 2-17, RAI Manual): “If a resident is discharged prior to the completion deadline for the assessment, completion of the assessment is not required.” Federal statute and regulations require that Skilled Nursing Facilities (SNFs) and Nursing Facilities (NFs) promptly assess residents upon admission but no later than the 14th calendar day of the resident’s admission (admission date + 13 calendar days).

### III. Reminders and additional information

- The encounter data mailbox ([encounterdata@cms.hhs.gov](mailto:encounterdata@cms.hhs.gov)) is a resource for MA organizations and PACE organizations. Please do not direct providers to the mailbox. Provider questions regarding billing should be directed to the MAOs and PACE organizations. CMS may share with providers making inquiries information that has already been communicated with MAOs, but will otherwise direct provider questions to the MAO.
- HIPPS codes from encounters with “from” dates July 1, 2014 and after must be submitted in accordance with this memo and the May 23, 2014 HPMS memo regarding HIPPS codes and encounter data.
- MAOs are reminded that SNF and home health encounters must be submitted in the 837-Institutional format.
- We encourage MAOs to share the information in this memo with their providers. MAOs may send any non-billing questions related to this guidance to [encounterdata@cms.hhs.gov](mailto:encounterdata@cms.hhs.gov) and specify ‘HPMS memo MM/DD/14-HIPPS Codes’ in the subject line.