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Medicare Launches Home Health Pre-Claim Review Demonstration in Five States

The Centers for Medicare and Medicaid Services (CMS) recently [announced](#) it will implement a pre-claim review demonstration for home health services. The three-year demonstration will apply to home health services performed in Illinois, Florida, Texas, Michigan, and Massachusetts. It will begin as follows: in Illinois after August 1, 2016; in Florida after October 1, 2016; in Texas after December 1, 2016; and in Michigan and Massachusetts after January 1, 2017.

Under the demonstration, home health agencies (HHAs), the entity billing on the HHA's behalf, or the beneficiary (collectively, a submitter) will have the option, but not the obligation, to submit a request for pre-claim review to the appropriate Medicare administrative contractor (MAC) prior to providing services to beneficiaries. Once a request is submitted, the MAC will review the request and all supporting documentation to determine whether the HHA satisfies the Medicare coverage and documentation requirements for the applicable service. Each MAC is required to make "all reasonable efforts" to issue a decision on the pre-claim review within 10 business days. HHAs will provide the services while waiting for a decision on the pre-claim review from the MAC. If the MAC disapproves, the submitter may revise the review request, including supporting documentation, and resubmit it an unlimited number of times. The HHA and beneficiary will be notified of the decision on subsequent submissions within 20 business days. In the notice, CMS directs the HHAs to provide the necessary care while awaiting a determination from the MAC.

If the MAC approves the pre-claim submission, the HHA will, after providing the service, submit the claim to the MAC for payment. The claim will include a pre-claim review number as proof that the claim received pre-claim approval from the MAC.

After an initial three-month grace period for each state, if a submitter presents a claim for payment without having received a pre-claim review decision, payments on such claims will be reduced by 25 percent. CMS makes clear that the payment reduction is not appealable and that a beneficiary may not be charged for any portion of such reduction.

Some home health industry experts fear that this demonstration may affect beneficiaries' access to care and could result in beneficiaries being prevented from receiving needed care in a timely manner, potentially leading to rehospitalization. Others view it as penalizing compliant HHAs and beneficiaries for the suspected fraud of a small portion of HHAs and adding unnecessary burdens to the provision of care.

Robinson+Cole will continue to monitor the pre-claim review demonstration as it progresses and will provide updates on significant developments.

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