DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations
7500 Security Boulevard
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DATE: February 2, 2001

FROM: Director
Survey and Certification Group
Ref: S&C01-02

SUBJECT: Outcome and Assessment Information Set (OASIS) Considerations for Home Health Agencies (HHAs) Seeking Initial Certification—INFORMATION

TO: Associate Regional Administrators, DMSO
State Survey Agency Directors

The purpose of this memorandum is to provide guidance concerning the handling of OASIS assessments to State survey agencies (SAs) and Regional office (RO) personnel involved in the initial certification of HHAs. Specifically, with the advent of the home health prospective payment system (PPS), it is imperative for the new HHA to establish a 60-day episode for its Medicare patients that is consistent with the HHA's effective date for Medicare participation.

Prior to receiving Medicare approval, HHAs must meet certain requirements, including enrollment and capitalization, and must provide skilled home health services to a minimum of 10 patients that is consistent with the Medicare home health conditions of participation (CoPs). Compliance with the CoPs is determined via an onsite survey by the SA and any applicable subsequent actions or revisions required of the HHA following the initial survey. After survey, the new HHA cannot bill Medicare for payment of services to Medicare beneficiaries until the effective date for Medicare participation has been determined by the HCFA RO.

Realistically, notification of the effective date may come many weeks after the initial survey of the HHA. In addition, the date of official compliance may vary depending on the outcome of the onsite survey. As described in the State Operations Manual (SOM), section 2780, the date of compliance is either:

1. The date the onsite survey is completed if, on the date of the survey the HHA meets all CoPs and any other requirements required by HCFA; or

2. If the HHA fails to meet any of the requirements as a result of the onsite survey, compliance is the earlier of—

   - the date the HHA meets all requirements; or

- the date the HHA meets all the CoPs and submits an acceptable plan of correction for standard level deficiencies.

Payment under Medicare for services provided prior to the effective date for Medicare participation is not permitted. As such, it is important that new HHAs seeking payment under Medicare establish the required 60-day episode on or after the effective date of their Medicare participation.

Instructions for Handling Medicare Patients in HHAs Seeking Initial Certification

If the HHA is confident that it has met all CoPs and all other Medicare requirements at the time the initial survey is completed, the HHA is advised to do a new start of care assessment, that is, Reason For Assessment (RFA) #1, on each of its Medicare patients at the first billable visit after the onsite survey. The HHA should delay encoding and transmitting the assessment until the Medicare provider number is assigned.

Once the provider number has been assigned, the HHA can go back and encode the collected OASIS information, obtain the necessary health insurance prospective payment system (HIPPS) codes for billing under PPS, and transmit the information to the State OASIS system as production (i.e., "live") data. The date of this assessment will become day 1 of the HHA's first 60-day episode under Medicare, as long as the assessment was done in conjunction with a billable visit. Warning messages related to noncompliance with timing requirements are unavoidable and are to be expected in this situation.

If compliance (i.e., the effective date) is not the date of the onsite survey, it will be based on number 2 above, as outlined in the SOM. The HHA should, again, do a new start of care assessment (RFA #1) on each of its Medicare patients at the first billable visit after the anticipated date of compliance, delay encoding and transmitting the assessment until the Medicare provider number is assigned, and continue as outlined in the paragraph above. That is, the HHA should go back and encode the collected OASIS information, obtain the necessary HIPPS codes for billing under PPS, and transmit the information to the State OASIS system as production data. As above, warning messages related to noncompliance with timing requirements are unavoidable and are to be expected in this situation.

Instructions for Handling Medicare Patients in HHAs That Recently Completed an Initial Survey

New HHAs that have been surveyed prior to this guidance are advised to use the information from the OASIS start of care (RFA #1), resumption of care (RFA #3), or follow-up assessment (RFA #4) closest to (and after) the official date of compliance to complete a new start of care assessment (RFA #1) for Medicare billing purposes. This assessment should be encoded and submitted using the newly assigned provider number and should reflect a start of care date that is consistent with the first billable visit after the effective date for Medicare participation. The first billable visit after the Medicare effective date will become day 1 of the HHA's first 60-day episode.

If the new HHA did not conduct a start of care (RFA #1), resumption of care (RFA #3), or follow-up (RFA #4) OASIS assessment during the time between the effective date for Medicare participation and the date the HHA learns of its approval, the HHA should conduct an "other follow-up" (RFA #5) OASIS assessment, as soon as possible. This assessment can be used to generate the HIPPS code used for billing under Medicare. The start of care date should reflect a date that is consistent with the first billable visit after the effective date for Medicare participation, as stated above.

Instructions to New HHAs Concerning all Other Patients

For all other patients treated by the HHA (i.e., non-Medicare patients), if a new start of care date is not required by the patient's pay source, the HHA should encode and transmit all OASIS assessments as required by current regulation that were collected after the effective date of Medicare participation. These assessments should be submitted in the production mode using the newly assigned provider number. The HHA should continue with the OASIS assessment schedule already established based on the patient's admission date. Transmissions of test data prior to the official date of approval will be deleted from the State OASIS system.

Effective Date

This policy is effective for all recently conducted initial surveys and initial surveys conducted after the date of this memorandum.

Training

This policy should be shared with all OASIS Education and Automation coordinators, home health agency surveyors, their managers and the State/Regional office training coordinator.

If you have any questions about these instructions, please contact Tracey Mummert at (410) 786-3398 or Mary Weakland at (410) 786-6835.

/s/

Steven A. Pelovitz

cc: Regional Office OASIS Coordinators
State Agency OASIS Educational Coordinators
State Agency OASIS Automation Coordinators

Prepared by:TMUMMERT/CMSO/SCG/CCB/1-29-00/newhhas.doc/final 1-31-01