

# HOMECARE ADMINISTRATOR

VOLUME EIGHT

MARCH 2009

NUMBER THREE

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## DOLLARS & SENSE

### Understanding MACs

**MACs are replacing the intermediary structure. Agencies must become familiar with processes and foster relationships.**

Although the Centers for Medicare & Medicaid Services (CMS) establishes the policies that govern provider Medicare certification and reimbursement, it contracts with private insurance companies to take responsibility for the day-to-day administration of the fee-for-service program and its funds. Those private insurance companies that processed the Medicare Part A claims for hospitals, skilled nursing facilities, and home health agencies functioned as fiscal intermediaries (FI)—essentially, the link between the Medicare program and the providers of care. Other entities, known as carriers, worked with claims billable to Medicare Part B for services provided by physicians, laboratories, and other practitioners.

Medicare-certified home health agencies have been familiar with regional home health intermediaries (RHHI), the FIs assigned specifically to home health care. The RHHIs have been responsible for making home health coverage determinations, processing claims, monitoring program integrity, and providing information and education to homecare providers regarding coverage and reimbursement issues.

Now, as a result of the Medicare Prescription Drug, Improvement and

Modernization Act of 2003 (MMA), §911, CMS is in the process of replacing the intermediaries with Medicare Administrative Contractors (MAC). Under the previous structure, it was possible that more than one type of FI managed the claims for a patient receiving coverage under both Parts A and B during a single period of illness. That system's format often created confusion and increased administrative complexities and costs. In response, the MMA's goal in establishing MACs is broad: to improve services to beneficiaries and providers and decrease costs by combining the administration of Part A and Part B claims under MACs assigned to designated areas, or jurisdictions.

CMS established fifteen jurisdictions and has now awarded contracts to the fifteen companies that will function as MACs for Parts A and B. Although some MACs began processing claims in 2008, CMS didn't announce the final five until January 2009. It is expected that the full transition to claims processing by MACs, rather than FIs, will occur by early 2010.

In addition to the fifteen geographically designated jurisdictions, there are four specialty MACs to service durable medical equipment claims. Although CMS did not establish specialty MACs to service home health and hospice providers, it did assign home health and hospice claims to four of the Part A and B MAC workloads (jurisdictions 6, 11, 14, and 15). A provider's physical location determines its jurisdiction and, thus, the MAC that will administer its claims. In some cases, the MAC for homecare agencies in a particular jurisdiction may be the same as the previous RHHI. (See [www.cms.hhs.gov/MedicareContractingReform/Downloads/MACJurisdictionFactSheet.pdf](http://www.cms.hhs.gov/MedicareContractingReform/Downloads/MACJurisdictionFactSheet.pdf) for specific information about the jurisdictions.)

