SCOPE:
All Company Home Health Agencies (HHAs) whether provider based or freestanding.

PURPOSE:
To provide direction to Community Educators/Liaisons and other HHA personnel on Medicare allowable and unallowable costs associated with community education, marketing, advertising and other community outreach activities, and the record keeping requirements necessary for reimbursement.

POLICY:

Background:
The Company will from time to time promulgate various policies as to the allowability of certain costs associated with providing home health services and the necessity of record keeping. The Medicare statute and regulations do not specifically address the allowability of a HHA's cost relating to community education activities, although there are Medicare regulations which address those activities. Those regulations concern formal education programs for the training of medical professionals such as physicians and nurses. The Provider Reimbursement Manual (“PRM”), a compilation of interpretive rules and guidelines issued by the Health Care Financing Administration (“HCFA”), contains guidance on the allowability of cost relating to the provider's community education and community relations efforts. The PRM and case law provide guidance on these efforts including advertising, publications, etc.

The guiding principal of Medicare cost reimbursement established by the regulations is that a provider's reasonable costs are allowable if the costs are related to the care of the provider's patients.

Advertising costs of a HHA may be allowable if they are primarily concerned with presentation of a good public image. Community liaison activities, i.e., educating hospitals, physicians, SNFs and other providers of services offered by HHAs, may be allowable if their primary purpose is to educate versus increase referrals to the HHA.

The Company requires job descriptions for all community education/liaison positions and to train employees in documenting their activities on a daily basis so that there will be an audit able track for purposes of accurate cost reporting.

The attached Community Education Policy, Record Keeping and Reimbursement Guidelines, Job Description, Tracking Log and Activity Codes establish the mechanism to be used by all HHAs. If an HHA seeks to utilize a modified or different job description or record keeping system, it must first be reviewed by Homecare, Legal and Reimbursement.

Costs associated with non-allowable activities are legitimate and appropriate HHA costs, but such costs will be tracked and documented to assure appropriate cost reporting.

This policy and attachments hereto provide guidance on the various activities. However, review on a case by case basis may be required.
PROCEDURE:
Record keeping
All activities must be recorded on a daily activity record form. The daily activity record form is designed to permit a determination of the exact type of service/activity rendered and the amount of time dedicated to each. Each activity is assigned a code from the Time Code/Activity Definition list which works in conjunction with the Daily Record to permit a determination of whether or not costs associated are allowable or not. (Both forms are attached.)

All personnel in positions providing community/liaison education services or any other related function must use the daily activity form and submit it to their immediate supervisor or to the payroll department.

Records must be kept on a contemporaneous basis. Prospective record keeping is unacceptable. All information must be adequate and capable of being audited and verified.

Daily records must be maintained and time should be recorded in 15 minute intervals. An activity code must be assigned to each interval. Daily records must clearly indicate what, when, for whom and for how long a service was provided. The records must permit a determination of the exact type of service or activity provided and the amount of time spent on each.

REFERENCES:
42 C.F.R. §§413.9, 413.85(d)(2), HCFA Provider Reimbursement Manual (PRM) §§2100, 2102, 2102.2, 2113.1-5; 2136.12, 416.5, Administrative law, Board, HCFA Administrator, and court cases.