

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Medicare – National and Local Coverage Determinations for Home Health and Hospice Services
PAGE: 1 of 5	REPLACES POLICY DATED:
EFFECTIVE DATE: July 1, 2021	REFERENCE NUMBER: REGS.HHA.004
APPROVED BY: Ethics and Compliance Policy Committee	

<p>SCOPE: All Company-affiliated Home Health Agencies (HHAs) and Hospices performing and/or billing Medicare inpatient and/or outpatient services. Specifically, the following departments:</p> <table border="0"> <tr> <td>Agency Administration/Management</td> <td>Medical Directors</td> </tr> <tr> <td>Nursing Staff</td> <td>Non-physician Practitioners</td> </tr> <tr> <td>Clinical Staff</td> <td>Ordering/Referring/Rendering Physicians</td> </tr> <tr> <td>Office Staff</td> <td>Coding and Billing</td> </tr> <tr> <td>Registration</td> <td>Shared Services Centers</td> </tr> <tr> <td>Scheduling</td> <td>Reimbursement</td> </tr> <tr> <td>Ethics and Compliance Officer</td> <td></td> </tr> </table>	Agency Administration/Management	Medical Directors	Nursing Staff	Non-physician Practitioners	Clinical Staff	Ordering/Referring/Rendering Physicians	Office Staff	Coding and Billing	Registration	Shared Services Centers	Scheduling	Reimbursement	Ethics and Compliance Officer	
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<p>PURPOSE: To define the requirements for complying with Medicare’s National and/or Local Coverage Determinations.</p> <p>National Coverage Determinations (NCDs) are developed by the Centers for Medicare and Medicaid Services (CMS) and applied on a nationwide basis. NCDs generally describe the criteria and coverage limitations that apply to particular services, procedures or devices for coverage and payment purposes. NCDs are binding on all Medicare Contractors, e.g., Medicare Administrative Contractors (MACs) and Quality Improvement Organizations (QIOs), nationwide, and Administrative Law Judges (ALJs).</p> <p>Local Coverage Determinations (LCDs) are decisions by a local Medicare Administrative Contractor and are applicable only within the issuing MAC’s jurisdiction(s). Like NCDs, LCDs generally describe the criteria and coverage limitations that apply to particular services, procedures or devices for coverage and payment purposes. Unlike NCDs, however, an LCD is binding only on the Medicare Contractor that issued the LCD and on the jurisdiction’s QIO; it is not binding on other Medicare Contractors, QIOs or ALJs.</p> <p>Local Coverage Articles (LCAs) are typically published by a local Medicare Administrative Contractor to provide coding/billing guidelines or other provider education that is complementary to an existing NCD or LCD. In some cases LCAs may be issued by MACs as independent policies. Similar to LCDs, LCAs apply only to the MAC that issued the Article.</p> <p>CMS sets forth specific processes for periodically reconsidering, revising and updating NCDs and LCDs. Typically, LCDs/LCAs are updated more frequently, and more subject to challenge, than are NCDs. If you have a question regarding NCDs, LCDs, or LCAs or if you wish to challenge an LCD, please contact Regs.</p>														
<p>POLICY:</p> <p>The following actions must be taken at a regional or local level:</p> <ol style="list-style-type: none"> 1. Designate an individual who will be responsible for the HHA/Hospice NCD/LCD/LCA process. 														

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2. Identify the NCDs, LCDs, and LCAs that apply to the HHA/Hospice services
3. Educate and disseminate the information in the NCDs/LCDs/LCAs to all applicable HHA/Hospice staff and physicians.
4. Develop processes and establish clear areas of responsibility and accountability for personnel to ensure compliance with the NCDs/LCDs/LCAs, including but not limited to ensuring compliance with:
 - a. clinical indications or contraindications for the service,
 - b. documentation requirements.
5. Ensure that NCD/LCD/LCA criteria are met before performing a service or that an Advance Beneficiary Notice of Noncoverage (ABN) is given before such services are rendered.
6. Bill appropriately for services associated with an NCD/LCD/LCA.
7. Follow established monitoring processes to assess compliance with this policy and identify the root causes of any identified issues.

PROCEDURE:

The HHA/Hospice administrative and operational support team, including but not limited to, the Medical Director, Agency Administrator, Area Agency Manager, Area Manager and regional/divisional personnel shall work together to understand the clinical and financial aspects of NCD/LCD/LCA requirements.

HHAs/Hospices must work with their physicians and clinical staff in order to implement the following processes to facilitate compliance with NCD/LCD/LCA requirements. These processes are not intended to apply in emergent situations or where the physician certifies that the beneficiary’s health or safety is at risk. In these situations, the HHA/Hospice must design a mechanism to retrospectively review these cases in order to bill the claim appropriately.

Designation of Responsible Individual

1. At a regional or local level, an individual will be appointed to be responsible for the agency’s NCD/LCD/LCA process. This individual should have a clinical background and be able to communicate effectively with the agency, clinical staff and physicians.
2. This individual is responsible for identifying those NCDs/LCDs/LCAs that apply to HHA/Hospice services.
3. This individual is also responsible for coordinating the education and dissemination of the information in the NCDs/LCDs/LCAs to the relevant departments and physicians.
4. This individual will also be responsible for monitoring compliance with this policy.
5. Key NCD/LCD/LCA activities should be reported to administration, applicable medical staff committees and departments, and the appropriate Ethics and Compliance Officer.

Identification, Education and Dissemination

1. The individual responsible for the NCD/LCD/LCA process must:

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- a. Identify the NCDs, LCDs and LCAs that apply to the Home Health/Hospice services. These NCDs, LCDs, and LCAs must be organized and readily available to the applicable Clinical staff, Scheduling, Registration, Coding and Billing Staff, as well as physicians and non-physician practitioners. CMS NCDs are available on the [Medicare Coverage Center](#) website.
- b. Work with other staff, such as Coders, Billers, Medical Director and Schedulers to ensure that physicians and staff responsible for ordering, referring, performing, registering, charging, coding or billing are educated on the requirements of the NCDs/LCDs/LCAs.
2. All applicable agency and medical staff personnel must be provided with a summary of the following information:
 - a. National and Local Coverage Determinations and Local Coverage Articles
 - b. Advance Beneficiary Notice (ABN) Policy (REGS.HHA.001)

Development of Process to Comply with NCD/LCD/LCA Requirements

Some NCDs/LCDs/LCAs are rather general, and permit coverage with sufficient clinical documentation. Other NCDs/ LCDs/LCAs provide more specific requirements for coverage or specify situations in which a service would not be covered. Although all elements of an NCD/LCD/LCA should be met, particular attention should be paid to the following elements:

Certification or Accreditation

1. Determine if the NCD/LCD requires the entity to be specifically certified by CMS or another accrediting body to provide that service, procedure or device.
2. If it is determined that a special entity certification or accreditation is required, and the entity is not already certified or accredited, the entity must take steps to become certified and/or accredited in order to provide the service, procedure, item or device.
3. Documentation of the certification or accreditation must be maintained and made available upon request.

Individual licensure or certification

1. Determine if the NCD/LCD requires individuals, including physicians and clinical staff, to have specific licensure or credentials.
2. If it is determined that special staff or physician credentials are required, entities must ensure that all relevant staff, including physicians, are appropriately licensed or credentialed in order to provide the service, procedure or device.
3. Documentation of the license or certification must be maintained and made available upon request.

Data collection requirements

1. Determine if the NCD/LCD requires participation in a qualified data collection system and/or submission of data to CMS.

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2. If it is determined that participation in a data collection system or submission of data is required, entities must ensure that this requirement is met in order to provide the service, procedure, item or device.

Medical record documentation and billing requirements

1. Determine if the NCD/LCD/LCA requires special medical record documentation and/or billing requirements. For example:
 - a. LCDs/LCAs related to Home Health Physical Therapy may include specific documentation requirements.
 - b. LCDs/LCAs related to Determining Terminal Status may include specific documentation requirements.
2. If it is determined that special medical record documentation and/or billing requirements are required, HHAs/Hospices must take the appropriate steps to incorporate them.

Clinical indications and/or contraindications

1. Determine if the NCD/LCD/LCA contains specific clinical indications or contraindications for performing the service. For example, LCDs/LCAs related to Home Health Physical Therapy may include specific indications for performing certain services.
2. **If it is determined that an NCD/LCD/LCA requires specific criteria to be met in order for the service, HHAs/Hospices must ensure that these requirements are met prior to providing the service. This process may be analogous to the preauthorization practices employed by other payers.**

Screening for and determining if clinical indications are met

1. HHAs/Hospices must implement a screening process prior to performing a service, procedure or device to determine if an NCD/LCD/LCA applies.
2. If the service is included in an NCD/LCD/LCA, the pertinent information, including diagnosis and HCPCS codes if applicable, must be gathered to determine if the requirements specified in the NCD/LCD/LCA have been met.
3. Many LCDs/LCAs contain diagnosis and procedure codes, as well as HCPCS procedure codes, that delineate when a service, procedure or device is covered. When this is the case, the front-end medical necessity software system can be used to screen the case prior to delivery.
4. If the NCD/LCD/LCA does not clearly articulate the pertinent diagnosis or HCPCS codes and/or there are other specific NCD/LCD/LCA requirements, i.e., documentation of symptoms or prior procedures, a manual review of the required elements must be completed by appropriate clinical staff to determine if the NCD/LCD/LCA requirements are met. Appropriate staff may include personnel such as nursing, coding and other clinical staff. The physician should be consulted if assistance is needed to determine whether the service, procedure or device meets the NCD/LCD/LCA requirements or the service, procedure or device needs to be provided.

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5. If it is determined that the service does not meet the NCD/LCD/LCA requirements, or if the ordering physician did not clearly articulate the diagnosis, sign, symptom or diagnosis code, HHAs/hospices should contact the ordering physician for additional clinical information.
6. If no additional information is provided, or if the additional information provided does not meet the NCD/LCD/LCA requirements, the HHA/Hospice must proceed in issuing an ABN prior to providing the service. See the Advance Beneficiary Notice Policy (REGS.HHA.001) for more information on the ABN process. The HHA/Hospice should follow its normal procedures after the issuance of the ABN as to any prepayment obligations, processing of any patient request for financial concession, or any other financial matters related to the service and the patient's personal financial responsibility arising from the Medicare noncoverage.

Billing edits and review

1. When NCDs/LCDs/LCAs contain diagnosis and/or HCPCS codes that delineate when a service, procedure or device is covered, edits may be developed to facilitate appropriate billing.
2. In cases where screening was required due to the clinical criteria contained in an NCD/LCD/LCA, but was not performed, HHAs/Hospices must review these cases prior to billing to ensure compliance with the NCD/LCD/LCA.
3. HHAs/Hospices must establish processes for communicating this information to their billing departments to ensure appropriate billing codes are added to the claim.

Audit and monitoring

Agencies should periodically review their processes to assess compliance and make improvements, where necessary. Applicable tools from Regulatory Compliance Support and/or Parallon Business Solutions may be used in this process.

REFERENCES:

1. Medicare National Coverage Determinations Manual (100-03)
2. Medicare Claims Processing Manual (100-04), Chapter 30
3. Medicare Claims Processing Manual (100-04), Chapter 32
4. Medicare Program Integrity Manual (100-08), Chapter 13
5. CMS Manual System Transmittal 829, Medicare Program Integrity (Pub 100.08), October 3, 2018
6. Advance Beneficiary Notice of Noncoverage – Home Health and Hospice Services Policy, REGS.HHA.001
7. Medicare - National and Local Coverage Determinations, [REGS.GEN.011](#)

Physician Notice Regarding Medicare National and Local Coverage Determinations

What is a Medicare Coverage Determination?

Coverage determinations:

- Describe the criteria and coverage limitations that apply to particular services, procedures or devices for coverage and payment purposes.
- Are based on clinical evidence, intended to reflect accepted current consensus and defined by Medicare as being reasonable and necessary.
- Apply to both HHAs/Hospices and physicians, although there may be instances where the coverage criteria differ.

Two types of coverage determinations

- **National Coverage Determinations (NCDs)**
 - Developed by the Centers for Medicare and Medicaid Services (CMS)
 - Applied on a nationwide basis
- **Local Coverage Determinations (LCDs)/Local Coverage Articles (LCAs)**
 - Developed by the local Medicare Administrative Contractor (MAC)
 - Applied locally
 - May be established for services and procedures not articulated in an NCD
 - Can be based on an NCD, but cannot conflict or be less restrictive than an NCD

What do NCDs/LCDs/LCAs address?

NCDs/LCDs/LCAs

- Cover services ranging from the simple, e.g., CBC, to the complex, e.g., heart transplants
- Vary in the level of requirements for coverage
- Some are rather general and allow coverage with sufficient clinical documentation

- Others provide more specific clinical requirements for coverage, including situations in which a service or procedure would not be covered

What does this mean to the HHA/Hospice and physician?

- Procedures or services subject to an NCD/LCD/LCA must meet the NCD/LCD/LCA requirements in order to be covered and paid.
- When ordering services, such as physical therapy, physicians must provide a diagnosis, sign, symptom, or diagnosis code and may be asked to provide additional clinical information and/or documentation.

What assistance is available in determining whether an NCD/LCD/LCA applies or what criteria are contained in an NCD/LCD/LCA?

Contact the appropriate operational support team. They maintain a current list of applicable NCDs/LCDs/LCAs and can make available a clinical contact to assist with any questions.

What happens when a service or procedure does not meet the NCD/LCD/LCA requirements?

- Medicare coverage and payment are at risk if the service or procedure does not meet the NCD/LCD/LCA requirements.
- Physicians will be notified. The HHA/Hospice will request the physician to provide additional information or to reschedule the service, if appropriate. With sufficient, appropriate additional information, the NCD/LCD/LCA requirements may be met.

What does this mean to the patient?

- If the service or procedure, as documented, does not meet the NCD/LCD/LCA criteria, the patient will be so informed but may still choose to have the service.
- If they choose to proceed with the service, they will be asked to sign an Advance Beneficiary Notice of Noncoverage (ABN).
 - The purpose of the ABN is to give the patient advance notice that Medicare may not pay for the service ordered. If Medicare does not pay, the patient will be liable for payment.
 - The guiding principle in obtaining an ABN is not whether you, as a physician, believe that the service is medically necessary. But rather, whether the patient's diagnosis, signs, or symptoms meet the NCD/LCD/LCA requirements.
- The patient may be able to appeal Medicare's decision not to pay for the service or procedure. The HHA/Hospice can assist the patient with the appeal.

How can we work together?

- The HHA/Hospice will keep physicians informed of key NCD/LCD/LCA requirements.
- Physicians should become familiar with the NCD/LCD/LCA requirements that pertain to the services they order and/or provide.

- Physicians must provide the HHA/Hospice with the information it needs to determine Medicare coverage.
- If a service or procedure does not meet an NCD/LCD/LCA, physicians must decide whether to reschedule or to proceed as planned with the service or procedure.
 - They should explain these options to the patient including their potential financial liability if they receive services that Medicare does not cover.
 - They should also work with the HHA/Hospice to obtain and/or explain the ABN to the patient, including why Medicare may not pay.