



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: 7/1/21
EFFECTIVE DATE: February 1, 2024	REFERENCE NUMBER: REGS.HHA.004
APPROVED BY: Ethics and Compliance Policy Committee	

<p>SCOPE: All Company-affiliated Home Health and Hospices Agencies 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>Coding and Billing</td> <td></td> </tr> <tr> <td>Parallon Specialty Services</td> <td></td> </tr> </table> <p>Ethics and Compliance Officer</p>	Agency Administration/Management	Medical Directors	Nursing Staff	Non-physician Practitioners	Clinical Staff	Ordering/Referring/Rendering Physicians	Coding and Billing		Parallon Specialty Services	
Agency Administration/Management	Medical Directors									
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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>										

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Medicare – National and Local Coverage Determinations for Home Health and Hospice Services
PAGE: 2 of 5	REPLACES POLICY DATED: 7/1/21
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1. The Regulatory Compliance Support (Regs) department will identify the NCDs, LCDs, and LCAs that apply to the home health and hospice agencies (hereinafter referred to as “agency”). Regs will educate and disseminate the information in the NCDs/LCDs/LCAs to all applicable personnel.
2. 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.
3. 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.
4. Bill appropriately for services associated with an NCD/LCD/LCA.
5. Follow established monitoring processes to assess compliance with this policy and identify the root causes of any identified issues.

PROCEDURE:

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

The agency must work with their providers 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 provider certifies that the beneficiary’s health or safety is at risk. In these situations, the agency must design a mechanism to retrospectively review these cases in order to bill the claim appropriately.

Designation of Responsible Individual

1. The Ethics and Compliance Officer (ECO) or designee is responsible for ensuring all agency managers receive NCD/LCD/LCA updates and communication from Regs.
2. 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 providers.
3. Key NCD/LCD/LCA activities should be reported to administration, and applicable medical staff committees and departments, and the appropriate ECO.

Identification, Education and Dissemination

1. Regs will identify the NCDs, LCDs, and LCAs that apply to home health and hospice services. These NCDs, LCDs, and LCAs must be organized and readily available to the applicable clinical staff, office staff, billing staff, as well as physicians and non-physician practitioners. CMS NCDs are available on the Medicare Coverage Center website.

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Medicare – National and Local Coverage Determinations for Home Health and Hospice Services
PAGE: 3 of 5	REPLACES POLICY DATED: 7/1/21
EFFECTIVE DATE: February 1, 2024	REFERENCE NUMBER: REGS.HHA.004
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2. Regs will educate and disseminate the information in the NCDs/LCDs/LCAs to applicable personnel.
3. Regs will determine if additional education is necessary and develop materials for dissemination.
4. All applicable personnel will have access to the National and Local Coverage Determinations, Local Coverage Articles, and 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.
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:

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Medicare – National and Local Coverage Determinations for Home Health and Hospice Services
PAGE: 4 of 5	REPLACES POLICY DATED: 7/1/21
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- 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, the agency must take the appropriate steps to incorporate them.

Clinical indications and/or contraindications

1. If the NCD/LCD/LCA contains specific clinical indications or contraindications for performing the service, Regs will disseminate any education or information. 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, the agency must ensure that these requirements are met prior to providing the service.
3. Tools and resources pertaining to NCDs/LCDs/LCAs are available on the Regs Atlas Connect site.

Screening for and determining if clinical indications are met

1. The agency 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.
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 agency must proceed in issuing an ABN prior to providing the service. See the Advance Beneficiary Notice Policy ([REGS.HHA.001](#)) for more

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PAGE: 5 of 5	REPLACES POLICY DATED: 7/1/21
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information on the ABN process. The agency 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, the agency must review these cases prior to billing to ensure compliance with the NCD/LCD/LCA.
3. The agency 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](#)