

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE**

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**DATE:** September 26, 2019

**TO:** All Medicare Advantage Organizations, PACE Organizations, Medicare-Medicaid Plans, Section 1833 Cost Contractors, and Demonstrations

**FROM:** Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group

**SUBJECT:** Updated Information on Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Medicare Advantage Encounter Data System – September 2019

This memorandum provides updated information on the submission of Health Insurance Prospective Payment System (HIPPS) Codes. Guidance was first issued in the May 23, 2014 Health Plan Management System (HPMS) memorandum with the subject line: “Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Encounter Data System” with additional guidance provided in the December 4, 2014 HPMS memorandum with the subject line: “Additional Guidance Regarding Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Encounter Data System.”

As noted in these memos, Medicare Advantage Organizations (MAOs) are required to submit HIPPS codes on Skilled Nursing Facility (SNF) and Home Health (HH) encounters submitted with “from” dates of service as of July 1, 2014 or later. Specifically, HIPPS codes for SNF and HH encounters should come from the initial OBRA-required comprehensive assessment (Admission assessment) and Outcome and Assessment Information Set (Start of Care assessment), respectively.

Medicare Fee-for-Service (FFS) is introducing new payment methodologies for HH and SNF services. For FFS SNF and HH providers, the Skilled Nursing Facility Patient Driven Payment Model (PDPM) will be effective October 1, 2019 and the Home Health Patient Driven Groupings Model (PDGM) will be effective January 1, 2020. These new payment models introduce new HIPPS code sets for HH and SNF services.

With the September 27, 2019 release of the Medicare Advantage Encounter Data System (EDS)<sup>1</sup>, CMS is updating the HIPPS code sets used in the Encounter Data System (EDS) to incorporate the new HIPPS code sets. In order to allow providers and Medicare Advantage

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<sup>1</sup> Under 42 C.F.R. § 422.310, Medicare Advantage Organizations (MAOs) and other entities under Part C rules are required to submit encounter data for each item and service provided to an MA enrollee. As required under § 422.310(b): Each MA organization must submit to CMS (in accordance with CMS instructions) the data necessary to characterize the context and purposes of each item and service provided to a Medicare enrollee by a provider, supplier, physician, or other practitioner. Additionally under § 422.310(d): MA organizations must submit data that conform to CMS' requirements for data equivalent to Medicare fee-for-service data, when appropriate, and to all relevant national standards.

Organizations (MAOs) maximum flexibility in the submission of HIPPS codes on encounter data, CMS will accept the existing HIPPS codes as well as the new HIPPS codes.

- SNF encounters with “from” dates on or after October 1, 2019 and HH encounters with “from” dates of service on or after January 1, 2020 may be submitted using the existing HIPPS codes or the new HIPPS codes.
- SNF encounters with “from” dates of service prior to October 1, 2019 should continue to be submitted with existing HIPPS codes.
- HH encounters with “from” dates of service prior to January 1, 2020 should continue to be submitted with existing HIPPS codes.
- For SNF stays lasting 14 days or less in which an Admission assessment was not completed prior to discharge, MAOs should follow the guidance outlined in the December 4, 2014 HPMS memorandum with the subject line: “Additional Guidance Regarding Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Encounter Data System.” As noted in that memo, MAOs may submit the HIPPS code from another assessment that took place during the stay or submit a default HIPPS code.
  - The default HIPPS code for encounters with a “from” date of service prior to October 1, 2019 is “AAA00.” The default HIPPS code for encounters with a “from” date of service on or after October 1, 2019 is “ZZZZZ.”

We encourage MAOs and other entities to share the information in this memo with their providers. Please send any questions related to this guidance to [encounterdata@cms.hhs.gov](mailto:encounterdata@cms.hhs.gov) and specify “Updated Information on Submission of Health Insurance Prospective Payment System (HIPPS) Codes to Medicare Advantage Encounter Data System – September 2019” in the subject line. Thank you.