Clotting factor reimbursement for ***certain*** inpatient settings including, inpatient psychiatric (IPS) and rehabilitation facilities (IRF), and long-term care hospitals (LTCH) is distinctly different from how it is for patients residing in a SNF. IRF's, IPS's, and LTCH's ***also*** use the prospective payment system (PPS) whereby services provided to inpatients are bundled and are reimbursed on a per diem basis under Part A. However, review of current rules and regulations and the relevant Medicare claims processing manual chapters, state that clotting factor is ***excluded*** from the bundled payment for these facilities. The cost of providing factor is paid outside of the PPS.

IRF's must provide ***all*** services to patients' regardless of whether they are administered by the facility or contracted with 3rd party ('under an arrangement'). Clotting factor is excluded from the PPS and the provider receives an "additional payment".

LTCH's consider clotting factor as a Part A cost and receive an "additional payment" to cover the cost of administering clotting factor during an inpatient stay. The language used suggests that irrespective of how clotting factor is provided (i.e., arrangement with a 3rd party entity, patient transferred out of the facility, etc.) it is considered a Part A claim for which there is an additional payment.

IPS's must provide ***all*** services either directly or "under an arrangement" and consider clotting factor outside of the PPS and the provider receives an "additional payment".

The ***exclusion*** of clotting factor from the per diem appears to give the facility a choice to either contract with a third party or provide the factor themselves. Should they choose the latter, they receive a separate payment ***in addition*** to the per diem. However this is all speculative. While it is clear that factor is reimbursed ***separately,*** the method is unclear.

1. It is unclear if the facility is responsible for billing for all services provided during an inpatient stay including those excluded from the PPS?
2. Should the facility contract with an outside provider (3rd party entity) are they responsible for billing? Are services reimbursed under Part B?
3. Conversely, should they provide the service themselves, are they covered under Part A?

We request additional information about how clotting factor is reimbursed (i.e., under Part A or B) and at what rate for each facility (IRF, IPS, LTCH).

For IRF's, IPS's, and LTCH's the Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid (CMS) appear to recognize the high-cost of factor and

specialized care patients require and, as such, the facility and/or provider should be adequately compensated.

We would like further clarification about the differences between how SNF's and other inpatient facilities are reimbursed. Specifically, we are asking for further clarification as to why SNF's have a different reimbursement for clotting factor when compared to other inpatient facilities.

Furthermore, it would be helpful to have a more detailed explanation for:

1. Why clotting factor, despite meeting the high-cost, low-probability criteria, was denied from being categorically excluded from the PPS?
2. How is the high-cost of providing factor (including drug costs and delivery) is being accounted for in SNF reimbursement?