



Inpatient Psychiatric Facilities: Return to Provider Claims with Point of Origin for Admission or Visit Code D & Charges for Emergency Department Services

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Implementation Date: October 6, 2025	Related CR Transmittal Number: R13173OTN
Related CR Title: New Edit Implementation for Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) for Point of Origin (PoO) Admission or Visit Code “D” Related to the Emergency Department (ED) Adjustment Policy	

Affected Providers

- Inpatient Psychiatric Facilities (IPFs)
- Hospitals
- Other providers billing Medicare Administrative Contractors (MACs) for services

Action Needed

Make sure your billing staff knows about:

- Emergency department (ED) adjustment policy
- How to bill for a patient’s transfer from a hospital or critical access hospital (CAH) to the same facility’s psychiatric unit
- New Fiscal Intermediary Shared System (FISS) edit to prevent under-payments
- How to correct a returned claim

Background

The IPF Prospective Payment System (PPS) includes an [ED adjustment](#) policy. Under this policy, CMS makes an additional payment to an IPF or a distinct part unit (DPU) for the first day of a patient's stay to account for ED costs if the IPF has a qualifying ED. Per [CFR 412.424\(d\)\(1\)\(v\)\(B\)](#), we don't make additional payment if the acute care section of a hospital or CAH discharges a patient and admits them to the same hospital's or CAH's psychiatric unit. When a hospital or CAH admits a patient, we treat charges for a patient's ED services as inpatient services, and the hospital or CAH should include those charges with the applicable PPS claim for the inpatient acute hospital stay. We reflect the costs of the ED services in the diagnosis-related group payment to the acute hospital or through the reasonable cost payment we make to the CAH. For more information on inpatient hospital billing, see the [Medicare Claims Processing Manual, Chapter 3](#), section 40.3.

When a hospital or CAH transfers a patient and admits them to their own IPF, only bill the services provided in the IPF setting, and don't include the prior ED services. Only bundle ED charges into an IPF stay if the patient's admission is directly to the IPF unit.

The point of origin (PoO) for admission or visit code D indicates when an acute hospital or CAH discharges a patient to their own psychiatric unit. The PoO code prevents the additional payment for the patient's first day of coverage at the DPU. An overpayment occurs when you don't bill PoO for admission or visit code D for these transfer claims. See [CR 7072](#) for previously implemented edits related to the ED adjustment policy under the IPF PPS.

Key Updates

We have observed incorrect use of both PoO for admission or visit code D and ED services across IPF PPS claims. A correctly submitted IPF claim shouldn't contain both PoO for admission or visit code D and charges for ED services.

We're implementing an edit in FISS to return to provider (RTP) incoming claims when the CMS Certification Number has an "M" or "S" in the third position or is in the ranges xx-SA00 through xx-SE99 **and** the claim includes both:

- PoO for admission or visit code D
- Charges for ED services

To correct an RTP claim and allow for successful processing, remove either:

- PoO for admission or visit code D and replace with the appropriate PoO code
- Revenue code 045x line for ED services

More Information

We issued CR 14026 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

Document History

Date of Change	Description
April 22, 2025	Initial article released.

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