



MEDICARE ENROLLMENT & APPEALS GROUP

DATE: April 8, 2013

TO: Medicare Advantage Organizations, Medicare Advantage-Prescription Drug, Section 1876 Cost Organizations, and PACE Plans

FROM: Arrah Tabe-Bedward
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SUBJECT: *Jimmo v. Sebelius* Settlement Agreement Fact Sheet

On January 24, 2013, the U. S. District Court for the District of Vermont approved a settlement agreement in the case of *Jimmo v. Sebelius*, in which the plaintiffs alleged that Medicare contractors were inappropriately applying an “Improvement Standard” in making claims determinations for Medicare coverage involving skilled care (e.g., the skilled nursing facility (SNF), home health (HH), and outpatient therapy (OPT) benefits). The settlement agreement sets forth a series of specific steps for the Centers for Medicare & Medicaid Services (CMS) to undertake, including issuing clarifications to existing program guidance and new educational material on this subject.

CMS has posted a Fact Sheet that provides details on the case and a list of activities CMS will be conducting under the terms of the settlement agreement. The goal of this settlement agreement is to ensure that claims are correctly adjudicated in accordance with existing Medicare policy so that Medicare beneficiaries receive the full coverage to which they are entitled. To that end, Medicare Advantage organizations are strongly encouraged to review the Fact Sheet and to ensure that claims for these skilled services are being properly reviewed and adjudicated.

The *Jimmo* Fact Sheet can be accessed here:

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/Downloads/Jimmo-FactSheet.pdf>