
CMS Manual System

Pub. 100-05 Medicare Secondary Payer

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 14

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CHANGE REQUEST 2074

I. SUMMARY OF CHANGES: This manualizes Transmittal AB-03-024, Change Request 2074, dated February 28, 2003, on clarification of the allocation of initial claims entry activities where the claim is paid secondary by Medicare.

CLARIFICATION/MANUALIZATION - EFFECTIVE DATE: Not Applicable
***IMPLEMENTATION DATE: Not Applicable**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS:
(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	5/40/FI and Carrier Claim Processing Rules

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

40 - FI and Carrier Claim Processing Rules

(Rev. 14, 04-09-04)

MSP PRE-PAY ACTIVITIES – (ACTIVITY CODE 22001)

*No workload or cost associated to initial claims entry should be charged to the MSP Activity Code 22001. **Bill payment activities must be reported to the Program Management Activity Code 11001.***

There are two steps to keying the secondary claim in its entirety. The first step covers the keying of the claim as received, not including the attached Explanation of Benefits (EOB)/ Remittance Advice (RA). The second step covers the keying of data from the EOB/RA to prepare the claim for entry into claims adjudication and calculation of the Medicare secondary payment at the claim or service line level by the MSPPAY module.

I. Listed below are initial claim entry activities that should not be charged to MSP Activity Code 22001.

- Receipt, control of claims and attached EOB/RA. Includes open, sort, date stamp, image, Control Number assignment, Optical Character Reader process, batching claims and activation of batches.*
- Preparation of batches for keying. Includes verification that all batches are accounted for and claims are in proper order within the batch.*
- Keying the entire MSP claim into the standard system to begin claims processing.*
- Resolution of all claim entry edits.*

II. Keying payment information from the primary payer's EOB/RA as part of the hard copy claim should not be charged to MSP Activity Code 22001. The keying of the EOB/RA brings the hard copy MSP claim to the same status as the receipt of an MSP Electronic Media Claim and preparing the claim for adjudication. The primary payment information is crucial in determining the appropriate amount Medicare should pay as the secondary payer, an amount calculated within the MSPPAY module during claim adjudication.

The following list includes primary payer information that may be present on the EOB/RA or may need to be determined, then keyed, to complete entry of the hard copy claim into the standard system. All costs associated to these functions should be charged to Activity Code 11001.

NOTE: *Individual EOB/RAs may use different but similar terms.*

Actual Charges

Provider Discount

Contract Write-off

Primary Payer Allowed Amount

Primary Payer Paid Amount

Obligated to Accept as Payment in Full

Deductible

Co-pay/Co-Insurance

Non-covered Services

Benefits Paid

Covered Charges

Withhold