Medicare Carriers Manual Part 3 - Claims Process

Department of Health and Human Services (DHHS) HEALTH CARE FINANCING ADMINISTRATION (HCFA)

Transmittal 1682 Date: OCTOBER 18, 2000

CHANGE REQUEST 1365

HEADER SECTION NUMBERS PAGES TO INSERT PAGES TO DELETE

Table of Contents - Chapter IV 4-4.3 – 4-4.4 (2 pp.) 4-4.3 – 4-4.4 (2 pp.) 4-435 – 4-438 (4 pp.) 4-435 – 4-438 (4 pp.)

NEW/REVISED MATERIAL--EFFECTIVE DATE: 11/01/2000 IMPLEMENTATION DATE: 11/01/2000

Section 4620, Furnishing Medicare Physician Fee Schedule Database (MPFSDB) Pricing Files, Section 4620.1, Furnishing Physician Fee Schedule Data for Local and Carrier Priced Codes, and Section 4620.2, Furnishing Physician Fee Schedule Data for National Codes, replace references to United Health Care with Palmetto GBA, the new Railroad Retirement Board carrier.

Section 4620.3, Furnishing Fee Schedule (Excluding Physician Fee Schedule), Prevailing Charge and Conversion Factor Data to Palmetto GBA, Fiscal Intermediaries, State Agencies, Indian Health Services and United Mine Workers, updates the address for the United Mine Workers and replaces references to United Health Care with Palmetto GBA, which now represents the Railroad Retirement Board.

Section 4480.7, Health Maintenance Organization (HMO) Processing Requirements, and Section 4480.8, Specialty Code/Place of Service (POS), are added to the table of contents to reflect existing text.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previous published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

CHAPTER IV

	Section
Immunosuppressive Drugs	
Payment for Immunosuppressive Drugs Routing Claims Determination of Eligibility Reasonable Charge Determinations HCPCS Codes EOMB Messages Carriers Reporting. Exhibit 1 - Form HCFA 2745-U3	4471.1 4471.2 4471.3 4471.4
<u>Vaccines</u>	
Billing for Pneumococcal, Hepatitis B, and Influenza Virus Vaccines General Claims Processing Requirements HCPCS Coding Billing Requirements Payment Requirements No Legal Obligation to Pay Simplified Roster Bills Health Maintenance Organization (HMO) Processing Requirements Specialty Code/Place of Service (POS)	4480.1 4480.2 4480.3 4480.4 4480.5 4480.6
Services Provided In Health Manpower Shortage Areas	
Determining if a New Physician Provided Service in a Health Manpower Shortage Area	4500 4500.1 4500.2 4500.3
HCFA Common Procedure Coding System (HCPCS) Use and Maintenance of CPT-4 in HCPCS Local Codes. Local Codes at Regular Carriers Use and Acceptance of HCPCS Codes and Modifiers HCPCS Update Payment Concerns While Updating Codes Payment Utilization Review (UR) and Coverage Information on HCFA Tape File. Deleted HCPCS Codes/Modifiers. Claims Review and Adjudication Procedures. Professional Relations. Professional Relations for HCPCS HCPCS Training Radiology Fee Schedule. Mixed Multispecialty Clinic (Specialty Code 70) Radiation Therapy. Issue Conversion Factors to Intermediaries. Screening Mammography Screening Mammography Examinations Identifying a Screening Mammography Claim	4507 4507.1 4508 4509 4509.1 4509.2 4509.3 4540 4551 4552 4600 4600.1

Rev. 1682 4-4.3

CHAPTER IV

	Section
Adjudicating the Claim	4601 3
MSN and EOMB Messages	4601.4
Remittance Advice Messages	4601.5
Magnetic Resonance Angiography	4602
Magnetic Resonance Angiography	4602.1
Coding Requirements	4602.2
Payment Requirements and Methodology	4602.3
Payment Requirements and Methodology	4602.4
Claims Editing	4602.5
Screening Pap Smear and Pelvic Examination.	4603
Screening Pan Smear	4603.1
Screening Pelvic Examination. Billing Requirements.	4603.2
Billing Requirements.	4603.3
CWF Edits	4603.4
Medicare Summary Notices (MSN) and Explanation of Your Medicare Benefits	4 500 5
Messages (EOMB)	4603.5
Remittance Advice Notices.	
Furnishing Medicare Physician Fee Schedule Database (MPFSDB) Pricing Files	4620
Furnishing Physician Fee Schedule Data for Local and Carrier Priced Codes Furnishing Physician Fee Schedule Data for National Codes	4620.1
Furnishing Physician Fee Schedule Data for National Codes	4620.2
Furnishing Fee Schedule (Excluding Physician Fee Schedule), Prevailing Charge	
and Conversion Factor Data to Palmetto GBA, Fiscal Intermediaries, State	1600.0
Agencies, Indian Health Services and United Mine Workers.	4020.3
File Specifications	4021
Correct Coding Initiative	4030
Submission of Claims to Medigap Insurers	
	4500
Submission of Claims to Medigap Insurer	4700
General Requirements	4/01
Completion of the Claim Form	4/02
Medigap Assignment Selection	4/02.1
EOMB Messages	4/03
Remittance Notice Messages	4/04
Returned Medigap Notices	4706
Charging Medigap Insurers. Electronic Transmission.	4700
Paper Submission.	4707
Medigap Electronic Claims Transfer Agreements	4700
Wedigap Electronic Claims Transier Agreements	+ / 0 /
Global Surgery	
General	4820
Definition of a Global Surgical Package	4821
Definition of a Global Surgical Package Billing Requirements for Global Surgeries.	4822
Claims Review for Global Surgeries	4823
Adjudication of Claims for Global Surgeries	4824
Postnavment Issues	. 4825
Claims Review for Global Surgeries Adjudication of Claims for Global Surgeries Postpayment Issues Claims for Multiple Surgeries.	. 4826
Claims for Bilateral Surgeries	. 4827
Claims for Co- and Team Surgeons	. 4828
Claims for Co- and Team Surgeons	. 4829
Claims for Anesthesia Services Performed On or After January 1, 1992	. 4830
Billing for Portable X-Ray Set-Up Services	. 4831

4-4.4 Rev. 1682

4620. FURNISHING MEDICARE PHYSICIAN FEE SCHEDULE DATABASE (MPFSDB) PRICING FILES

This section provides guidance to carriers for transmitting MPFSDB pricing files to intermediaries, State Agencies, Palmetto GBA (Railroad Retirement Board), Indian Health Services, and United Mine Workers of America.

A schedule for activities related to furnishing these pricing files will be provided in advance for each year through the ROs. HCFA will provide the physician fee schedule, the Durable Medical Equipment and Prosthetics and Orthotics and Supplies (DMEPOS) fee schedules and clinical lab data to United Mine Workers and Indian Health Services.

4620.1 Furnishing Physician Fee Schedule Data for Local and Carrier Priced Codes.--You are to provide to HCFA the payment amounts for all local and carrier priced codes for physician services (MPFSDB status codes of L, C, and R) by the date specified in the schedule. Payment amounts should only be provided for those carrier priced status codes C and R without associated Relative Value Units (RVUs) and local codes for which payment amounts have been developed.

HCFA will furnish the payment amounts for local and carrier priced codes to the intermediaries, Palmetto GBA, Indian Health Services, and United Mine Workers.

To furnish the physician fee schedule data for local and carrier priced codes, you should follow the steps identified below.

- 1. Create a file which includes all the fields from the MPFSDB for local and carrier priced codes covered under the physician fee schedule for which you have developed the payment amounts. Complete the fields with the appropriate data for the local and carrier priced codes.
- 2. Not all fields will contain entries. For example, 1999 payment amounts will be calculated for the total amount. The component parts (relative value units for work, practice expense and malpractice) may not have been computed. In those cases, where entries are not available, complete the fields with zeros.
- 3. If you have not developed payment amounts for local or carrier priced codes covered under the physician fee schedule, complete the record transmittal form indicating that a file does not need to be submitted.
- 4. Detailed record specifications will be updated annually in Chapter 15 of Part 3 of the MCM.
- (a) If HCPCS is a radiology procedure (i.e., 70000-79999, or appropriate 'Q' or 'G' code), then designate 'RAD' for label.
- (b) If HCPCS is a portable radiology procedure (appropriate 'R', 'Q', or 'G' code), then designate 'PRF' for label.
- (c) If PCTC = 1, 2, 3, 4, 6, 8 and service is not radiology or portable x-ray, then designate 'ODX' as label.
- (d) All other codes should be considered hospice services and the appropriate label should be 'HPH'.

Rev. 1682 4-435

5. Files can be submitted either electronically via E-mail to Mary Anne Stevenson (MStevenson or MStevenson@hcfa.gov), on diskette, or on tape/cartridge.

If the file is transmitted electronically or on diskette, follow these instructions:

Files MUST be in ASCII format.

If sent electronically, send to Mary Anne Stevenson (MStevenson or MStevenson@hcfa.gov).

A backup file must be maintained until the file is approved.

If the file is transmitted on tape/cartridge, follow these instructions:

Prepare file as an IBM standard label file. Additionally, a trailer record follows the data record. The trailer record is discussed in item #6 below.

Assure that an external label is placed on each tape of cartridge.

IBM standard label, data records, trailer record, and a standard IBM end of file.

IBM standard label - Data set name: UH5585.PSAB.PPR.LOCAL Tape configuration of a 3480 cartridge or a 9 track 1600/6250 round tape Block data records 8970

Record all data in EBCDIC and in display mode. A data set name other than the file above will result in automatic return of the file. A backup file must be maintained until the file is approved.

DO NOT SUBMIT COMPRESSED DATA.

6. Trailer Record (Last Record on File)

Columns	<u>Data</u>	Description
1-7 (7)		The word "trailer"
8-15 (8)	Total number of records.	The number of records on the file. Do not include the trailer record, Right justify, zero fill.
16-345 (330)	Blank fill trailer record.	

7. Ship the File To:

Health Care Financing Administration Program Development and Information Group, DHPPD, CHPP Mail Stop C4-15-25 7500 Security Blvd. Baltimore, MD 21244-1850

4-436 Rev. 1682

Forward the MPFSDB - Local codes file with the record transmittal that was used in submitting previous years' files. Ship the magnetic tape(s) to HCFA by mail. However, carriers in close proximity to HCFA headquarters may find other delivery service options faster and/or more economical.

4620.2 <u>Furnishing Physician Fee Schedule Data for National Codes.--</u>You must be prepared to release the entire MPFSDB file in the same format as received from HCFA, which will include the payment policy indicators, to the State Agencies upon their request. The data will be available on the HCFA Home Page and those State Agencies with Internet access capability will be able to download the data directly.

HCFA will provide the Medicare physician fee schedule, DMEPOS and clinical lab to the intermediaries, Palmetto GBA (Railroad Retirement Board), the Indian Health Services, and United Mine Workers. CARRIERS DO NOT NEED TO SEND FILES TO THOSE ENTITIES.

To furnish the Medicare physician fee schedule for national codes to the State Agencies you should follow the steps identified below.

- 1. Create a file to include an extract for status codes A, T and associated RVUs; and carrier and local codes as in §4620.1. NOTE: All fields may not be necessary to the entity receiving the file. The State Agencies should extract only the fields that apply to their particular applications.
- 2. To release to the State Agencies, contact the regional office to obtain the name and mailing address of the individual to receive the file.
 - 3. Refer to §4620.1 for the physical file specifications and blocking factor.
 - 4. <u>Header Type Specifications</u>

Field <u>No.</u>	Field <u>Name</u>	<u>Size</u>	<u>Picture</u>	Field Specs	Remarks
1	Label	3	X(3)	L	a
3	Filler Carrier #	5	X(7) 9(5)	L L	
4	Filler	1	X(1)	_	

a - Use the following label: MPFS - Medicare Physician Fee Schedule

4620.3 <u>Furnishing Fee Schedule (Excluding Physician Fee Schedule)</u>, Prevailing Charge and Conversion Factor Data to Palmetto GBA, Fiscal Intermediaries, State Agencies, Indian Health Services and United Mine Workers.—Use the file format in §4621 to furnish fee schedule, prevailing charge, and conversion factor information to Palmetto GBA (RRB), Intermediaries, State Agencies, Indian Health Services, and United Mine Workers.

Furnish statewide (or carrierwide for areas less than an entire State) pricing data for certified registered nurse anesthetist conversion factors. Furnish all fee schedules and conversion factors on tape unless the receiving entity agrees that a paper listing is acceptable.

Clinical Lab pricing files subject to national limitation amounts and DMEPOS pricing files subject to national floor and ceiling limitation amounts will be furnished by HCFA to all entities except the State Medicaid Agencies. The Center for Medicaid and State Operations will provide those pricing files to the State Medicaid Agencies.

Rev. 1682 4-437

In addition to the above pricing files, furnish Palmetto GBA (RRB) with a tape file of locality prevailing charges for ambulance services and inflation indexed prevailing charges for non-physician services subject to the IIC.

Send pricing files for the RRB to:

Palmetto GBA Attn: Medicare Systems RRB – AG-430 17 Technology Circle Columbia, SC 29203

For Indian Health Services, send pricing files to:

IHS Contract Health Services P.O. Box 13509 Albuquerque, New Mexico 87192-3509

For releasing non-physician pricing files to State Agencies, contact the RO to obtain the name and mailing address of the individual to whom the file should be addressed.

For the United Mine Workers, send the pricing files to:

Government Programs Manager UMWA Health and Retirement Funds 2121 K Street, NW Washington, DC 20037, or

MedPricing@umwafunds.org

You may negotiate agreements with the receiving entity to use an alternate medium (e.g., paper, diskette) or a tape file format other than that specified in §4621. However, such agreements must be in writing and signed by the affected entities (e.g., carrier, intermediary, RRB, etc.). Furnish your RO with a copy of written agreements for using mediums other than tape or tape file formats other than that in §4621.

4621. FILE SPECIFICATIONS

Use the following guidelines in creating the pricing files.

1. Recommended Physical File Specifications-Magnetic Tape.--Tape characteristics-9 track, 8 2" to 10 2" reels with silver mylar reflector (standard reels) with write ring removed.

Parity - Odd Recording Density - 6250 bytes per inch Recording Code - Extended Binary Coded Decimal

File Label - IBM standard label. The tape must have an end of file mark. The first data record on the file identifies the submitter and the receiver and serves the function of a file label.

Physical Record Length - 60 characters Blocking Factor - 100 records per block The external label on the reel must appear as:

From To

4-438 Rev. 1682