# Medicare
# Carriers Manual
## Part 3 - Claims Process

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

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**CHANGE REQUEST 681**

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

Section 4021, The "Do Not Forward" (DNF) Initiative, manualizes Program Memorandum AB-00-06. However, we have removed the reporting requirements, as we are currently revising them.

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

**These instructions should be implemented within your current operating budget.**

CHAPTER IV

CLAIMS REVIEW AND ADJUDICATION PROCEDURES

Section

Line Review – Form HCFA-1490S



Line Review – Health Insurance Claim Form



Items and Services Having Special Review Considerations

CHAPTER IV

CLAIMS REVIEW AND ADJUDICATION PROCEDURES

## 4021. THE "DO NOT FORWARD" (DNF) INITIATIVE

This initiative entails the use of "Return Service Requested" envelopes to preclude the forwarding of Medicare checks to locations other than those recorded on the Medicare provider files. The use of these envelopes permit the U.S. Postal Service to return Medicare checks to local carriers and durable medical equipment regional carriers (DMERCs) free of charge, as the postal service has done for the DMERCs since February 1997.

A. Returned Check Process for Carriers and DMERCs.--HCFA requires carriers and DMERCs to use "Return Service Requested" envelopes for all checks they mail to providers and suppliers. Carriers and DMERCs must be in compliance with postal regulations when developing their DNF envelopes. This initiative applies only to the "Pay To" address of each provider and supplier, because it deals solely with returned checks. Mailing addresses and physical addresses are not the major focus of this initiative.

Carriers and DMERCs must sort outgoing mail to identify provider or supplier checks, and must only place these checks in "Return Service Requested" envelopes. The postal service will forward remittance advice without checks and checks to beneficiaries.

When the check is returned, if applicable, the postal service will provide the carrier or DMERC with a new address or reason for nondelivery. If the postal service supplies a carrier or DMERC with a new address for the provider or supplier with the returned check, do not automatically change the address of the provider or supplier or re-mail the check. (See the change of address process described below.)

Once the post office returns an envelope, record the check number and any correspondence in the envelope, using your normal procedures for incoming mail. For example, microfiche and photocopy the mail. Contractors must also log and account for the checks, noting pertinent information, such as the provider or supplier's name and number, date of the check, the check number, the amount of the check, and the date the check was returned.

The carrier's or DMERC's financial staff must either reissue the check based upon receipt of an updated, verified address, or systematically cancel the returned check and notify the provider enrollment staff that a provider must be flagged DNF. The provider enrollment staff must annotate the provider or supplier's file with a DNF flag, pending receipt of a verified address. Carriers and DMERCs must process any subsequent claims a flagged provider or supplier submits through the Common Working File (CWF) to completion, but must not generate any additional check or checks for that provider or supplier until an authorized address correction is received and the flag removed.

In addition, provider enrollment staff must alert the benefit integrity staff in the event that any investigations are currently taking place, which are affiliated with flagged providers or suppliers. Implement a standardized reporting format for this process.

B. Change of Address Process for Local Carriers and DMERCs.--When a flagged provider or supplier notifies you that they have not received their checks, direct them to your provider enrollment staff. The provider or supplier must complete a change of address Form HCFA-855C, or other written notification. The form or written notification must bear an original signature from an authorized representative of the entity that completed the original registration form. No copies, faxes, or stamps are acceptable. For purposes of this process, the most important address is the "Pay To" address. If the provider or supplier did not furnish the "Pay To" address on Form HCFA-855C, or other written notification, return it to the provider or supplier. The provider or supplier must furnish the "Pay To" address. Do not change addresses based on telephone calls.

When provider enrollment staff verify an address, they must update the address for the provider or supplier and remove the DNF flag.

Provider enrollment staff must send a daily report to financial staff, advising which providers and suppliers are no longer flagged DNF. Financial staff must generate all payment that is due the provider or supplier for claims that were adjudicated for the time period the provider or supplier was flagged.