
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 53

Date: FEBRUARY 6, 2004

CHANGE REQUEST 3104

I. SUMMARY OF CHANGES: Standard System Maintainers must make the following modifications so line item medical review denials and line item Medicare secondary payer actions may be accurately processed.

NEW/REVISED MATERIAL - EFFECTIVE DATE: July 1, 2004

***IMPLEMENTATION DATE: July 6, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged.

II. CHANGES IN MANUAL INSTRUCTIONS: N/A

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

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

***Medicare contractors only**

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 53	Date: February 6, 2004	Change Request 3104
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SUBJECT: Surgical Lines with No Charges

The APASS maintainer and associated FIs are waived from implementing this requirement on July 6, 2004, due to their upcoming transition to the FISS system. However, they must implement this requirement upon transitioning to the FISS system.

I. GENERAL INFORMATION

A. Background:

In order to accurately process line item medical review (MR) denials and line item Medicare secondary payer (MSP) actions on OPPS claims with lines for significant procedures containing charges less than \$1.01, Standard System Maintainer (SSMs) must make the following system modifications to properly calculate and allocate an estimated charge amount. These adjusted charge amounts will be treated as if they are the actual submitted charge on lines subject to MR and/or MSP review.

B. Policy: N/A

C. Provider Education: None.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3104.1	Standard Systems shall create a single module to adjust line item charges after claim data is sent from Outpatient Code Editor (OCE).	SSMs
3104.1.1	Standard Systems shall create a single module to adjust line item charges before the claim data is sent to PRICER.	SSMs
3104.1.1.1	Standard Systems shall create a single module to adjust line item charges before the claim data is sent to Medical Review (MR).	SSMs
3104.2	Standard Systems shall create a single module to adjust the appropriate surgical line charges based on OPPS claims processing rules.	SSMs
3104.2.1	For claims with dates of service from 4/1/02 to 12/31/02, Standard Systems shall apply the appropriate surgical line charges to lines that have status indicator of S or T.	SSMs

3104.2.2	<p>Effective for claims with dates of service from 1/1/03, Standard Systems shall apply the appropriate surgical line charges to lines that</p> <ul style="list-style-type: none"> • Have a status indicator of T with any HCPCS code, and/or • Have a status indicator of S with a HCPCS code greater than 9999 and less than 70000 	SSMs
3104.3	<p>Standard Systems shall create a single module to perform the following adjustments for OPPS claims having surgical status indicators and line items with charges less than \$1.01:</p> <ol style="list-style-type: none"> a. Sum the charges for all lines on the claim with a surgical status indicator b. Determine an adjusted Medicare payment rate for each line using the latest APC Rate File for OPPS PRICER, line item units, line item discount factor, and line item discount formula c. Sum all of the adjusted Medicare payment rates on the claim d. Multiply the sum from bullet “a.” by the line item payment amount from bullet “b.” e. Divide the product from bullet “d.” by the sum from bullet “c.” f. Use the result from bullet “e.” as the new adjusted line item charge. 	SSMs
3104.4	<p>Fiscal intermediaries shall automatically adjust MSP claims that were processed between July 1, 2003 and the implementation of this CR using the new MSPPay module.</p>	FIs

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: July 1, 2004 Implementation Date: July 6, 2004 Pre-Implementation Contact(s): Joe Bryson at 410-786-2986 or Stu Barranco at 410-786-6152 Post-Implementation Contact(s): Appropriate Regional Office	These instructions shall be implemented within your current operating budget.
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