
Medicare

Intermediary Manual

Part 3 - Claims Process

Department of Health &
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NEW/REVISED MATERIAL--*EFFECTIVE DATE: April 24, 2003*
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Section 3863, Payment Without CWF Approval, no longer requires intermediaries to report to central office the number of claims paid outside of CWF. Intermediaries are still required to report numbers to the appropriate regional office contact.

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.

3863. PAYMENT WITHOUT CWF APPROVAL

Normally CWF approval is required before a claim may be paid. However, CMS may notify you of special situations where payment outside CWF is necessary. These include:

- o New coverage policies enacted by Congress with effective dates where necessary CWF changes cannot be made timely; and
- o Errors discovered in CWF that cannot be corrected timely.

You may also request approval from the RO in specific situations where you recommend payment without CWF approval. Examples are:

- o Other contractors cannot complete action to remove an impediment that blocks your processing of a claim; and/or
- o You have a systems error that cannot be corrected timely, and the providers cash flow will be seriously endangered.

Before you can pay any such claim outside of CWF, you must obtain approval from your RO or have received a directive from your RO or CO.

On any claims that you pay without CWF approval apply the following procedures:

- o Determine payment as if the payment were final. Process inpatient PPS payments through MCE, Grouper and Pricer. Make hospice payments using the appropriate hospice rate. Pay for ESRD visits using the composite rate. Use the appropriate fee schedules or interim rates. Apply deductible and coinsurance based on the most current data you have available. Do not apply the 70 percent reduction applicable to accelerated payment;
- o Pay interest accrued through the date payment is made on clean claims. No additional interest will be paid;
- o Maintain a record of payment and implement controls to be sure that you do not make a duplicate payment, i.e., when the claim record is updated to CWF or in response to a duplicate request by the provider;
- o Update CWF when the impediment to CWF processing is removed. Show the actual payment date outside CWF in the scheduled payment data field;
- o Notify the PRO via the PROBILL record when you update CWF (if PRO notification is appropriate);
- o Consider the claim processed (batched) for workload and expenditure reports when you pay; and
- o Submit a monthly report to your RO **Consortium Contractor Manager (CCM)** by the 20th of each month of all claims paid without CWF approval. Include a list of each bill paid outside of CWF showing the HIC, name, provider number, total charges, from date, through date, amount paid, paid date and CWF error condition preventing payment. Also provide summary data for each edit code showing bill volume and payment.