Program Memorandum Intermediaries

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

Transmittal A-02-105 **Date: OCTOBER 25, 2002**

CHANGE REQUEST 2328

SUBJECT: Removal of Common Working File (CWF) Edit on Non-Covered Hospice Claims

I - GENERAL INFORMATION

A. Background:

In May 2000, significant changes were implemented in Medicare systems as part of the Claim Expansion/Line Item Processing (CE/LIP) project. In addition to expanding the amount of data that could be processed on Medicare claims, changes were made to prepare Medicare systems to implement the transmission of non-covered outpatient claims to the CWF and the CMS National Claims History. Transmission of these non-covered claims, including non-covered hospice claims, began in April 2002.

Since the transmission of these claims began, CMS has identified an error in the preparatory changes made during the CE/LIP project. The CWF editing was revised during CE/LIP to require that any fully non-covered hospice claim must report either occurrence code 42 (hospice date of discharge) or occurrence code 23 (intermediary cancellation of hospice election period). In response to the presence of these occurrence codes, CWF revokes or cancels the hospice benefit period that corresponds to the claim.

The CMS has identified a number of scenarios in which revoking or canceling a benefit period from a non-covered claim would be an error. The instructions below require the CWF to remove the requirement for these occurrence codes on non-covered hospice claims. The instructions also provide mechanisms for regional home health intermediaries to process claims affected by this error in the interim.

B. Policy:

Revocation of the hospice benefit is defined in regulation at 42 CFR 418.28 and in CMS instructions in the Medicare Hospice Manual §210.

II - BUSINESS REQUIREMENTS

Req. #	Requirements	Resp.
2328.1	CWF must remove its edit requiring occurrence codes 23 or 42 to be present if the type of bill is 81x or 82x and the claim is fully non-covered with a no-pay code of N.	CWF

III - Supporting Information and Possible Design Considerations

A – Other Instructions:

X-Ref Req. #	Instructions
2328.1	Prior to the removal of the CWF edit, RHHIs shall request permission from their regional office to process claims subject to the edit outside of CWF.
2328.1	Prior to the removal of the CWF edit, RHHIs shall bypass sequential billing for the claim with dates immediately following the claim subject to the edit. This resolution shall be used in special cases in which processing outside of CWF is not advisable.

B – Design Considerations: N/A

C - Interfaces: N/A

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

E - Dependencies: N/A

F - Testing Considerations: N/A

IV - Attachment(s) N/A

Version: Draft, 8/5/2002 **Implementation Date:** SYSTEMS CHANGES – April 1, 2003; WORKAROUNDS: October 25, 2002 **Discard Date**: April 1, 2004 **Post-Implementation Contact:** Regional Office	**Effective Date:** SYSTEMS CHANGES – April 1, 2003; WORKAROUNDS: October 25, 2002 **Funding:** Within current operating budget **Pre-Implementation Contact:** Wil Gehne, (410) 786-6184, wgehne@cms.hhs.gov and Kelly Buchanan, (410) 786-6132, kbuchanan@cms.hhs.gov; Elizabeth Carmody (410) 786-7533