
CMS Manual System

Pub. 100-05 Medicare Secondary Payer

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

Transmittal 7

Date: FEBRUARY 6, 2004

CHANGE REQUEST 2954

I. SUMMARY OF CHANGES: Sending the Provider Covered Charge Amount to the Medicare Secondary Payment (MSPPAY) Module for MSP Home Health Prospective Payment System (HH PPS) Claims.

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:

(R = REVISED, N = NEW, D = DELETED)

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

*III. FUNDING:

These instructions should 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

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SUBJECT: Sending the Provider Covered Charge Amount to the Medicare Secondary Payment (MSPPAY) Module for MSP Home Health Prospective Payment System (HH PPS) Claims

I. GENERAL INFORMATION

The APASS shared system and associated intermediaries are waived from implementing this instruction due to their transition to the FISS.

A. Background:

The July Medicare shared systems release, implemented July 7, 2003, contained changes to the MSPPAY software to apportion Prospective Payment System (PPS) outlier payments to service lines with Medicare reimbursement. These changes are described in Program Memorandum A-03-006, dated February 3, 2003. CMS has learned that these changes did not anticipate the facts that on HH PPS claims home health agencies submit zero charges to Medicare and that Medicare Shared Systems populate the total charge field on these claims with the HH PPS payment amount instead of a charge amount. Absent charge information, the MSPPAYOL software is unable to correctly calculate Medicare’s secondary payment for these claims. This is particularly significant on claims involving outliers, when the calculation would result in underpayments to the provider.

B. Policy:

MSPPAY must calculate Medicare’s secondary payment in accordance to 42 CFR 411.33.

C. Provider Education: None.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement
“Should” denotes an optional requirement

Requirement #	Requirements	Responsibility
2954.1	For all HH PPS claims, Medicare shared systems shall send to MSPPAYOL all submitted covered charges associated with each revenue code 0023 line, excluding lines for Durable Medical Equipment (DME) and prosthetics and orthotics (P&O).	FISS

2954.1.1	For HH PPS claims with one 0023 line, Medicare systems shall sum all submitted covered charges on the claim and send this sum as the covered charge amount for the 0023 line to MSPPAYOL, excluding DME and P&O.	FISS
2954.1.2	For HH PS claims with more than one 0023 line, Medicare systems shall sum all submitted covered charges for line items, excluding DME and P&O, with service dates greater than or equal to each 0023 line date, but less than the date of the next later dated 0023 line, and send this amount as the covered charge amount for that 0023 line to MSPPAYOL.	FISS
2954.2	After shared systems changes are made, the Regional Home Health Intermediaries must go back and adjust Home Health MSP claims payment in the period beginning July 3, 2003 through the fix implementation date.	RHHIs

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
2954.1.1 and 2954.1.2	No MSPPAYOL changes are required to accommodate this change in the shared systems.
2954.1.1 and 2954.1.2	These changes will affect the MSPPAY interface only. The 0023 line charge amount determined for MSPPAY use will not be recorded elsewhere on the claim record.
2954.1.1 and 2954.1.2	HH PPS claims are identified by types of bill 32x and 33x with dates of service on or after October 1, 2000.
2954.1.1 and 2954.1.2	DME lines are identified using revenue code 29x, and 60x, (oxygen).
2954.1.1 and 2954.1.2	P&O lines are identified using revenue code 274.

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
N/A	

C. Interfaces:

The interface between the Shared System and MSPPAYOL is affected by these changes. No other pricing module interfaces are affected.

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

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: July 1, 2004</p> <p>Implementation Date: July 6, 2004</p> <p>Pre-Implementation Contact(s): Richard Mazur, (410) 786-1418, RMazur@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Richard Mazur, (410) 786-1418, RMazur@cms.hhs.gov</p>	<p>These instructions shall be implemented within your current operating budget</p>
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