
PROGRAM MEMORANDUM INTERMEDIARIES/CARRIERS

Department of Health
and Human Services (DHHS)

Health Care Financing
Administration (HCFA)

Transmittal No. AB-00-30

Date MAY 2000

CHANGE REQUEST 1106

This Program Memorandum is a correction to Transmittal AB-00-10, (CR 1106), dated February 2000. PLEASE DISCARD THE ORIGINAL PM AB-00-10. All changes in this corrected PM have been redlined, and all other material remains the same.

SUBJECT: Implementing Instructions for Services Provided in Religious Nonmedical Health Care Institutions (RNHCIs)

Section 4454 of the Balanced Budget Act (BBA) of 1997 (P.L. 105-33) amended the Social Security Act (the Act) to delete all references to Christian Science Sanatoria, and provides for coverage of services equivalent to a hospital or extended care level of care in religious nonmedical health care institutions (RNHCIs) under the Medicare and Medicaid programs. For a provider to satisfy the definition of an RNHCI, it must satisfy the 10 qualifying provisions of §1861 (ss)(1) of the Act. Additionally, the provider will have to meet the conditions of participation and other regulatory requirements to qualify as an RNHCI, as outlined in regulations issued in the *Federal Register* dated November 30, 1999. Medicare will not pay for any of the religious aspects of care provided in RNHCIs. This instruction is intended to aid the RNHCI specialty contractor in preparing to make changes to allow for payment of claims for RNHCI services, and to provide guidance to intermediaries and carriers when processing claims for RNHCI beneficiaries who receive care outside of an RNHCI.

Election Requirements

For an RNHCI to receive payment under the Medicare program, the beneficiary must make an election to receive benefits under §1821 of the Act. The election is effective on the date it is signed and remains in effect until revoked. Elections to receive benefits under §1821 are framed in terms of "excepted" and "nonexcepted" medical treatment. Section 1821 defines "excepted" medical treatment as medical care or treatment that is received involuntarily or is required under Federal, State or local law. "Nonexcepted" medical treatment is defined as medical care or treatment other than excepted medical treatment. To elect religious nonmedical health care services, the beneficiary or his or her legal representative must attest that the individual is conscientiously opposed to acceptance of nonexcepted medical treatment, and the individual's acceptance of such treatment would be inconsistent with the individual's sincere religious beliefs. The signed election must include a statement that the receipt of nonexcepted medical services would constitute a revocation of the election and may limit further receipt of payment of religious nonmedical health care services.

The specialty intermediary should notify each RNHCI provider to question each beneficiary, prior to executing the election statement, to determine if the beneficiary has Medicare Part B coverage in effect via a health plan or has recently received care for which Medicare payment was sought. An affirmative answer will alert the RNHCI provider that the claim may be denied.

Revocation of Election

Under §1821(b)(3), a beneficiary may revoke an election in writing or by receiving nonexcepted medical care. After an initial revocation, the individual may again file a written election to receive

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the religious nonmedical health care benefit. This second election takes effect immediately upon its execution. If an individual makes and revokes a second election, the next election may not become effective until the date that is one year after the date of the most previous revocation. Any subsequent election may not become effective until the date that is 5 years after the date of the most recent previous election. Once an election has been revoked, Medicare payment cannot be made to an RNHCI unless a new valid election is filed.

Payment

Under §1821(a), payment to an RNHCI is made for inpatient extended care hospital services furnished if an election is in effect, and the individual has a condition that would qualify him/her for benefits if he/she were an inpatient in a hospital or skilled nursing facility.

Specialty Contractor

Blue Cross and Blue Shield of Tennessee doing business as Riverbend Government Benefits Administrator, which was the specialty contractor for Christian Science Sanatoria, will continue as the specialty contractor for RNHCI.

The specialty contractor will be responsible for the following:

- o Processing election notices;
- o Processing RNHCI claims;
- o Processing claims for new facilities that enter the program as RNHCI;
- o Tracking and reporting expenditures on a facility basis; and
- o Making any adjustments to payments.

Appropriate Bill Types

RNHCI utilize bill type 41X. RNHCI utilizing the UB-92 flat file use record type 40 to report bill type. Record type (Field No. 1), Sequence Number (Field No. 2), Patient Control Number (Field No. 3), and Type of Bill (Field No. 4) are required. RNHCI utilizing the hard copy UB-92 (HCFA-1450) report the applicable bill type in Form Locator (FL) 4 "Type of Bill".

Claims Processing Criteria

Effective January 31, 2000, RNHCI are required to furnish the specialty contractor with the original signed election statement for each beneficiary. However, because of year 2000 computer systems concerns, the Common Working File (CWF) will not be modified to allow tracking of revocations of beneficiary elections to receive RNHCI benefits until July 1, 2000. As a result, for claims received with dates of service prior to July 1, 2000, the specialty contractor should refer to §4454 of the BBA and the RNHCI regulations published in the *Federal Register* on November 30, 1999 for criteria to be applied in determining coverage and resulting payment for RNHCI services. The specialty contractor will not be considered responsible for failing to deny payment in a situation where an election has been revoked but it was unable to determine this fact due to the current state of the CWF. The specialty contractor must, however, deny payment for any claim if they know the beneficiary has revoked an earlier election from means other than the CWF (for example, if the beneficiary informs them of his/her desire to voluntarily revoke the election). They are also required to assure that a signed election is in place prior to payment of RNHCI services and that the services for which payment is made meet the coverage criteria outlined in this PM.

Please note that §4454 does not provide for coverage of Pneumococcal Pneumonia, Influenza Virus, and Hepatitis B Vaccines in RNHCI. The specialty contractor should deny claims for such services provided in RNHCI utilizing current Medicare Summary Notice messages.

Common Working File (CWF) Notification of Elections

RNHCI submit a notice of election to the specialty contractor for beneficiary elections made on or after July 1, 2000. This means for RNHCI beneficiaries who are admitted to or currently in an RNHCI on or after July 1, 2000, the RNHCI must submit an election notice to the specialty contractor for processing. RNHCIs utilizing the hard copy UB-92 (HCFA-1450) use bill type 41A as an election notice. They complete FLs 1, 4, 12, 13, 14, 15, 17, 51, 58, 60, and 85. RNHCIs utilizing the UB-92 flat file as an election note, use Record Types (RT) 10, 20, 30, 40, and 74. See "Completion of the Uniform (Institutional Provider) Bill (Form HCFA-1450) Notice of Election" below for the appropriate fields. CWF will transmit a disposition 01 to notify the specialty contractor that the notification of election was received.

CWF Notification of Revocations

RNHCI submit a HCFA-1450 (bill type 41B) to the specialty contractor as a notice of revocation for a previously posted RNHCI election when an RNHCI beneficiary submits a written request that his/her election to RNHCI benefits have been revoked. See "CWF Changes and Subsequent Non-RNHCI Contractor Actions" below for situations where RNHCI elections are automatically revoked in CWF. CWF will transmit a disposition 01 to notify the specialty contractor that the notification of revocation was received.

CWF Notification of Cancellations to Notifications of Elections and Revocations

RNHCI submit a HCFA-1450 (bill type 41D) to the specialty contractor as a cancellation of a previously submitted notice of election or notice of revocation, when they were submitted in error. In situations where the RNHCI is correcting a previously submitted date, they submit a new HCFA-1450 (bill type 41A) to the specialty contractor for processing. CWF will transmit a disposition 01 to notify the specialty contractor that the notification of cancellation was received.

Completion of the Uniform (Institutional Provider) Bill (Form HCFA-1450) Notice of Election

This form also known as the UB-92, was developed to be suitable for billing most third party payers (both Government and private). Because it serves the needs of many payers, some data elements may not be needed by a particular payer. Detailed information is given only for items required for the notice of election. Items not listed need not be completed, although they may complete them when billing multiple payers.

Form Locator (FL) 1 or RT 10, Fields 12, 13, 14, 15 and 16. (Untitled) - Provider Name, Address, and Telephone Number

Required. The minimum entry is the provider's name, city, State, and ZIP code. The post office box number or street name and number may be included. The State may be abbreviated using standard post office abbreviations. Five or nine digit ZIP codes are acceptable. Use the information to reconcile provider number discrepancies. Phone and/or FAX numbers are desirable.

FL 4 or RT 40, Field 04. Type of Bill

Required. Enter the three-digit numeric type of bill code: 41A, 41B or 41D as appropriately. The first digit identifies the type of facility. The second classifies the type of care. The third indicates the sequence of this bill in this particular episode of care. It is referred to as a "frequency" code.

Code Structure

1st Digit - Type of Facility.

4- RNHCI (hospital)

2nd Digit - Classification (Special Facility).

1- Inpatient (Part A)

3rd Digit - Frequency.

A - RNHCI election notice
 B - RNHCI revocation notice
 D - Cancellation

FL 12 or RT 20, Fields 4-6. Patient's Name

Required. Show the patient's name with the surname first, first name, and middle initial, if any.

FL 13 or RT 20, Fields 12-16. Patient's Address

Required. Show the patient's full mailing address including street name and number, post office box number or RFD, city, State, and ZIP code.

FL 14 or RT 20, Field 8. Patient's Birthdate

Required. (If available.) Show the month, day, and year of birth numerically as MMDDCCYY. If the date of birth cannot be obtained after a reasonable effort, the field will lie zero-filled.

FL 15 or RT 20, Field 7. Patient's Sex

Required. Show an "M" for male or an "F" for female.

FL 17 or RT 20, Field 17. Admission Date

Required. Enter the date of the election, revocation or cancellation. In no instance should the date be prior to July 1, 2000. Show the month, day, and year numerically as CCYYMMDD.

FLs 51 A, B, and C or RT 10, Field 6. Provider Number

Required. This is the six-digit number assigned by Medicare. It must be entered on the same line as "Medicare" in FL 50.

FLs 58A, B, C, or RT 30, Fields 12-14. Insured's Name

Required. Enter the beneficiary's name on line A if Medicare is the primary payer. Show the name as on the beneficiary's HI card. If Medicare is the secondary payer, enter the beneficiary's name on line B or C, as applicable, and enter the insured's name on line A.

FLs 60A, B, C, RT 74, Field 5. Certificate/Social Security Number and Health Insurance Claim/Identification Number

Required. On the same lettered line (A, B, or C) that corresponds to the line on which Medicare payer information is shown in FL 58, enter the patient's HICN. For example, if Medicare is the primary payer, enter this information in FL 60A. Show the number as it appears on the patient's HI Card, Social Security Award Certificate, Utilization Notice, MSN or EOMB, Temporary Eligibility Notice, etc., or as reported by the SSO.

FL 85-6. Provider Representative Signature and Date

Required. An RNHCI representative makes sure an original, signed RNHCI election statement has been sent to the specialty contractor and they have retained a copy in their records before signing form HCFA-1450. A stamped signature is acceptable on form HCFA-1450.

CWF Changes and Subsequent Non-RNHCI Contractor Actions

CWF will maintain a beneficiary file of all RNHCI beneficiary elections and revocations. CWF will reject claims as follows:

- o Any notices of revocations or cancellations when CWF history indicates an RNHCI claim has been processed during this time period;

- o Intermediary claims (HCFA-1450's, non 41X) with dates of service on or after July 1, 2000, when a beneficiary who has elected care under the RNHCI benefit received care outside the RNHCI;
- o Carrier claims (HCFA-1500's) with dates of service on or after July 1, 2000, that are submitted by physicians or ambulance companies when a beneficiary who has elected care under the RNHCI benefit received care outside of the RNHCI.

These claims will be rejected by the intermediary or carrier with an 08 trailer code describing the error. Contractors are required to medically review these claims to determine if the care received by the RNHCI beneficiary was excepted or nonexcepted. Examples of nonexcepted medical care could include but are not limited to the following:

- o A beneficiary receiving medical diagnosis and/or treatment for persistent headaches and/or chest pains.
- o A beneficiary in an RNHCI who is transferring to a community hospital to have radiological studies and the reduction of a fracture.
- o A beneficiary with intractable back pain receiving medical, surgical, or chiropractic services.

Examples of excepted medical care include, but are not limited to the following:

- o A beneficiary that receives vaccinations required by a State or local jurisdiction. This is compliant behavior to meet government requirements and not considered as voluntarily seeking medical care or services; or
- o A beneficiary who is involved in an accident and receives medical attention at the accident scene, or in transport to the hospital, or at the hospital before being able to make their beliefs and wishes known; or
- o A beneficiary who is unconscious and receives emergency care and is hospitalized before regaining consciousness or being able to locate his or her legal representative.

Use these examples as a guide in making your determination. Determinations should be made within 30 days of the receipt of the 08 trailer code. Once your determination is made, resubmit the claim to CWF indicating what type of care was received. Use the following indicators for this purpose:

- o Indicator 0 (zero) no entry;
- o Indicator 1 (one) for excepted care; or
- o Indicator 2 (two) for nonexcepted care.

The following are the fields and locations for the excepted and nonexcepted indicators on the CWF record types:

<u>Record</u>	<u>Field</u>	<u>Size</u>	<u>Location</u>
HUIP (Inpatient hospital/SNF claim)	84	1	823
HUOP (Outpatient)	64	1	778
HUHC (Hospice)	64	1	778

HUHH (Home Health)	64	1	778
HUBC (Carrier/Part B claim)	13	1	57

Upon receipt of the resubmitted claim, CWF will approve it for payment (by generating a disposition 0I) and revoke the beneficiary's election if the care received was nonexcepted. CWF will not notify the specialty contractor of any revocations as a result of claims received for nonexcepted care. Any subsequent RNHCI claims will be not approved for payment by CWF unless the beneficiary files a new election following the prescribed time intervals between elections.

In addition, you will be required to generate a Medicare Summary Notice (MSN) or Explanation of Medicare Benefits (EOMB) Notice message if you have not yet converted to the MSN. Reflect these messages in the "Note" section of the notices to alert the beneficiary that his election has been revoked or has not been revoked based on your findings as to whether the care the beneficiary received was excepted or nonexcepted. Use the following MSN or EOMB messages for this purpose.

If a beneficiary has elected religious nonmedical health care services and receives excepted care at your facility/office, enter in the remarks area of the MSN or EOMB the following:

- o "You received medical care at a facility other than a religious nonmedical health care institution but that care did not revoke your election to receive benefits for religious nonmedical health care." (MSN message number 42.1, EOMB message number 42.1)

- o Usted recibió cuidado médico en una facilidad diferente a una institución de cuidado de salud no médico religioso, pero ese cuidado no cancela su elección de recibir beneficios por cuidado de salud no médico religioso. (MSN mensaje número 42.1, EOMB mensaje número 42.1)

If a beneficiary has elected religious nonmedical health care services and receives nonexcepted care at your facility/office, enter in the remarks area of the MSN or EOMB the following:

- o "Since you received medical care at a facility other than a religious nonmedical health care institution, benefits for religious nonmedical health care services have been revoked for these services unless you file a new election. (MSN message number 42.2, EOMB message number 42.2)

- o Como usted recibió cuidados médicos en una facilidad diferente a una institución de cuidado de salud no médico religioso, su elección de recibir beneficios por servicios de cuidado de salud no médico religioso ha sido cancelado por estos servicios, a menos que usted solicite una nueva elección. (MSN mensaje número 42.2, EOMB mensaje número 42.2)

DME, Orthotic/Prosthetic Devices

All intermediary and local carrier claims for DME, orthotic/prosthetic devices will be treated as nonexcepted medical care. Therefore, contractors do not have to review these claims when rejected by CWF to determine if the care received was excepted or nonexcepted medical care. Resubmit the claim with an indicator of 2 and CWF will revoke the election.

All DMERC claims for DME, orthotic/prosthetic devices will be treated as nonexcepted medical care. CWF will accept the claim and revoke the RNHCI election.

RNHCI Specialty Contractor MSN Messages

The following denial messages will be generated by the RNHCI specialty contractor. If the claim for

RNHCI services is being denied because the beneficiary did not elect religious nonmedical health care, use the following MSN message:

- o "This service is not covered since you did not elect to receive religious nonmedical health care services instead of regular Medicare services." (MSN message 42.3)

- o Este servicio no está cubierto porque usted no eligió recibir servicios de cuidado de salud no médico religioso, en vez de los servicios regulares de Medicare. (Mensaje MSN 42.3)

If the claim for RNHCI services is being denied because the RNHCI election was revoked, use one of the following MSN messages as appropriate:

- o "This service is not covered because you received medical health care services which revoked your election to religious nonmedical health care services." (MSN message 42.4) or

- o Este servicio no está cubierto porque usted recibió servicios de cuidados de salud médicos, lo cual cancela su elección a servicios de cuidado de salud no médico religiosos. (Mensaje MSN 42.4)

- o "This service is not covered because you requested in writing that your election to religious nonmedical health care services be revoked." (MSN message 42.5)

- o Este servicio no está cubierto porque usted solicitó por escrito que su selección para recibir servicios de cuidado de salud no médico religioso sea cancelado. (Mensaje MSN 42.5)

NOTE: A new section has been added to the MSN and EOMB for the RNHCI benefit

Remittance Advice Notices

If the claim for religious nonmedical health care services is being denied because the beneficiary did not elect religious nonmedical health care the RNHCI specialty contractor should use National Standard Institute (ANSI) X12-835, claim adjustment reason code 106 "Patient payment option/election not in effect."

If the claim for RNHCI services is being denied because the RNHCI election was revoked, the RNHCI specialty contractor should use one of the following sets of codes as appropriate:

- o ANSI X12-835 claim adjustment reason code 106, but with group code PR (to indicate that the patient can be billed for the service since the patient was responsible for revoking the election) and with a new claim level remark code MA55, "Patient received medical health care services, automatically revoking his/her election to receive religious nonmedical health care services" or

- o ANSI X12-835 claim adjustment reason code 106, but with group code PR (to indicate that the patient can be billed for the service since the patient was responsible for revoking the election) and with a new claim level remark code MA57, "Patient submitted written request to revoke his/her election for religious nonmedical health care services."

Provider Notification

The specialty contractor should notify their RNHCIs of these requirements in their next scheduled bulletin.

The effective date for this Program Memorandum (PM) is July 1, 2000.

The implementation date for this PM is July 1, 2000.

For further information regarding this PM contact: Jean-Marie Moore on (410) 786-3508 for coverage questions; and, Linda Gregory on (410) 786-6138 or Faith Ashby on (410) 786-6145 for billing questions.

These instructions should be implemented within your current operating budget.

This PM may be discarded March 2001.