

Program Memorandum Intermediaries

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

Transmittal A-02-005

Date: JANUARY 23, 2002

CHANGE REQUEST 1977

SUBJECT: Correction of Production Problem with Home Health Prospective Payment Systems (HH PPS) Claims Involving Medicare Secondary Payer (MSP)

I - GENERAL INFORMATION

A - Background: In implementing HH PPS in Medicare claims processing systems, CMS made the administrative decision to use internally-deployed value codes to transmit Medicare claim reimbursement amounts. The codes are used in all cases, including when MSP applies to a HH PPS claim. There was no modification of MSP payment calculation policy with the implementation of HH PPS. However, the Common Working File (CWF) is incorrectly rejecting MSP payment amounts of zero when Medicare's liability is less than or equal to the primary payer's payment on HH PPS claims. CWF is editing such HH PPS MSP claims that contain reimbursement value code 64 and/or 65 with error messages E464U or E463U. CWF must be fixed to accept a zero MSP payment amount for HH PPS claims when Medicare's liability is less than or equal to the primary payer's payment on HH PPS claims.

B - Policy: The HH PPS system was created by the Balance Budget Act 1997, and was modified by subsequent legislation to be effective October 1, 2000.

II - BUSINESS REQUIREMENTS

Claims Processing Requirements:

Req. #	Resp.	Requirements
1977.1	CWF	CWF will <u>not</u> edit reimbursement value code 64 and/or 65 when MSP is involved on HH PPS claims (i.e., existing MSP value codes and amounts are present) if MSP payment amounts are zero and Medicare liability is less than or equal to the primary payer's payment on claims.

III - Possible Design Considerations and Supporting Information

A - Inputs:

X-Ref Req. #	Input Description
1977.1	HH PPS Claims with MSP value codes

CMS-Pub. 60A**B - Outputs:**

X-Ref Req. #	Output Description
	N/A

C - Interfaces:

X-Ref Req. #	Interface Description
	N/A

D - Provider Impact:

X-Ref Req. #	Provider Impact (Specify Contractor Requirements for the Impacts Below)
1977.1	Claims currently not payable will become payable.

E - Contractor Financial Reporting /Workload Impact: No ongoing impact, end of efforts to work-around systems problem.

F - Dependencies: None

G - Testing Considerations: None beyond routine testing of a fix of a current production problem.

IV - Attachment(s) None

The *effective date* for this Program Memorandum (PM) is July 1, 2002.

The *implementation date* for this PM is July 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2003.

If you have any questions pre-implementation, contact Elizabeth Carmody, (410) 786-7533, or Wil Gehne, (410) 786-6148; for post-implementation questions, contact your appropriate regional office.