
Program Memorandum Intermediaries/Carriers

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

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CHANGE REQUEST 2240

SUBJECT: Modify Application of "I" Validity MSP Records to the Common Working File (CWF) by Medicare Contractors

Since January 8, 2001, when Phase III of the Coordination of Benefits Contract (COBC) was implemented, you have had the capability to add MSP records to CWF only in limited instances. These records are all required to contain validity indicators of "I." Because of the processing rules put in place in January 2001, CWF now contains numerous instances of multiple MSP "I" records which were re-accreted and subsequently deleted. The presence of these "revolving MSP records" indicates that an unresolved discrepancy exists between the information forming the basis for the "I" record accretions and the information in possession of the COB contractor prompting the deletion action. One possible reason for this situation is that the "I" record format does not provide for transferring complete information to the COBC for use in further development. The COBC may presently end up developing to a different source than the source that supplied the information the "I" record was based on. Another reason is that shared systems are programmed to create "I" records in certain situations and are doing so even though several "I" records pertaining to the same MSP situation have already been accreted and deleted. Therefore, CMS has decided to modify CWF processing rules to accept an "I" record only if no MSP record (validity indicator of either "I" or "Y;" open, closed or deleted status) with the same MSP type already exists on CWF with an effective date within 100 days of the effective date of the incoming "I" record.

Do not submit "I" records to CWF in the situation described in the preceding sentence. "I" records submitted to CWF that fail these edit criteria will be rejected with an SP 20 error code. The resolution for these cases is to transfer all available information to the COBC via the ECRS CWF assistance request screen. It will be the responsibility of the COBC to reconcile the discrepancy and make any necessary modifications to the CWF Auxiliary file record. Again, it is vital that you transfer all pertinent information to COBC via ECRS.

In addition, a refund or returned check is no longer a justification for submission of an "I" record. Since an "I" record does not contain the source (name and address) of the entity which returned the funds, COBC lacks the information necessary to develop to that source. Follow the below examples to determine which ECRS transaction to submit:

- 1) An MSP inquiry should be submitted when there is no existing or related MSP record on the CWF.
- 2) The CWF assistance request should be submitted when the information on the CWF is incorrect or the MSP record has been deleted.
- 3) If the check/voluntary refund will open and close the case/MSP issue, you should submit an MSP inquiry. Refer to ECRS 5.0 manual for more information regarding closed cases.

The check should be deposited to unapplied cash until COBC makes an MSP determination.

The effective date for this Program Memorandum (PM) is January 1, 2003.

The implementation date for this PM is January 1, 2003.

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These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2004.

If you have any questions, contact Harry Gamble at 410-786-5787.