Program Memorandum Carriers

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

Transmittal B-02-065 **Date: OCTOBER 25, 2002**

CHANGE REQUEST 2281

SUBJECT: Durable Medical Equipment Regional Carriers (DMERCs)—Establishment Common Working File (CWF) Override for Legitimate Duplicate Claims

I - GENERAL INFORMATION

A - Background:

Currently, CWF edits for exact duplicate claims. A duplicate claim is defined for purposes of this PM as a claim for the same beneficiary, from the same provider or supplier, for the same Healthcare Common Procedure Code System (HCPCS) code, on the same date of service.

In all circumstances, it is appropriate to deny duplicate claims. There are, however, some circumstances where an item or service may appear to be a duplicate based solely on the criteria above, but is in actuality not a duplicate.

For example, if a pharmacy dispenses several drugs on one date of service, the pharmacy is entitled to a dispensing fee for each drug it dispensed. The dispensing fee will have the same HCPCS code for each drug. In this example, although the dispensing fee may appear to be a duplicate in the claims processing system, it is in fact appropriate to pay for the code more than once on the same date of service for the same beneficiary.

Another example involves disposable nebulizers. Medicare will allow patients to have more than one disposable nebulizer. As with the dispensing fee, while multiple nebulizers may appear to be duplicative in the claims processing system, it is often appropriate to pay for more than one on the same date of service for the same beneficiary. The same principal may also apply to mastectomy bras, platforms for walkers, and other items.

The current duplicate edits on CWF do not allow for the processing of these types of claims that may appear to be duplicates, but are not, in fact, duplicates.

B - Policy:

The CMS must continue duplicate edits to detect claims that are truly duplicates and should not be paid. However, in situations where an otherwise **legitimate** claim appears to be duplicative to CWF and the DMERC standard and local systems, but is not in fact a duplicate claim, then the DMERCs must have the ability to process and pay for these claims.

To address this situation, CMS is requiring that CWF permit overrides of duplicate denials in situations where a line item is legitimately payable.

Nothing in this Program Memorandum (PM) is intended to require DMERC staff to perform any manual review of claims that they did not manually review prior to the release of this PM.

II - BUSINESS REQUIREMENTS

- *use the word "must" to indicate a mandatory action*
- *use the word "will" to indicate an optional action*
- *Resp. column is optional*

Req. #	Requirements	Resp.
1	CWF must create an override at the line level for DMERC use when CWF is rejecting claims with the following reject codes: DA02, DA05, DA06, DA07, and DA09.	CWF
2	DMERCs must ensure that they only use the override in cases where they are certain that the line item being denied is a legitimate duplicate.	DMERC
3	The DMERC standard system (ViPS) and local systems must add any necessary logic to the system to handle the override established in 1 above.	ViPS/ DMERC

III - Supporting Information and Possible Design Considerations

A – Other Instructions:

N/A

B – Design Considerations:

N/A

C - Interfaces:

N/A

Version: 7/24/02 Implementation Date: April 1, 2003 Discard Date: March 31, 2004 Post-Implementation Contact: appropriate RO	Effective Date: April 1, 2003 Funding: none Pre-Implementation Contact: Renée Hildt (410) 786-1446 or rhildt@cms.gov