
Medicare Program Integrity Manual

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

Transmittal 25

Date: APRIL 25, 2002

CHANGE REQUEST 2122

CHAPTERS	REVISED SECTIONS	NEW SECTIONS	DELETED SECTIONS
1	1.2		

NEW/REVISED MATERIAL--EFFECTIVE DATE: July 1, 2002
IMPLEMENTATION DATE: July 1, 2002

Chapter 1, §1.2 - Types of Claims for Which Contractors Are Responsible, is revised to exclude all medical review functions for inpatient DRG claims.

These instructions should be implemented within your current operating budget.

NOTE: Red italicized font identifies new material.

1.2 - Types of Claims for which Contractors are Responsible – (Rev. 25, 04-25-02)

Contractors may perform MR functions for the following types of claims:

- All claims appropriately submitted to a carrier, DMERC, or Regional Home Health Intermediary (RHHI) and;
- All claims appropriately submitted to an intermediary, *other than acute care inpatient PPS hospital (DRG) claims*, including but not limited to:
 - Acute Care Inpatient PPS Hospital Swing Beds
 - Ambulatory surgical centers (hospital based)
 - Inpatient rehabilitation freestanding hospitals or excluded rehabilitation units of PPS hospitals
 - Inpatient critical access hospitals including swing beds
 - Inpatient psychiatric freestanding hospitals or excluded psychiatric units of PPS hospitals
 - Inpatient long term care hospitals
 - All ESRD facilities (freestanding and hospital based).

Prior to implementing medical review in the above settings, contractors shall notify providers they may be subject to review. Contractors shall apply Progressive Corrective Action (Transmittal AB-00-72) in review of these claims.

Contractors shall include claims from the above settings in doing data analysis to plan their medical review strategy using the same criteria employed in other settings. Customer service and education plans should also be considered. Amendments to plans and strategies should be made as needed if analysis indicates adjustment of priorities.

As part of your annual review of LMRP in conformance with PIM Ch. 1, Sec. 2.3.1, consider the need to modify your policies to apply to these settings. As in any setting, contractors shall provide educational opportunities to assure knowledge of applicable policies and appropriate billing procedures.