Medicare Program Integrity Manual

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

Transmittal 27 **Date: JULY 2, 2002**

CHANGE REQUEST 2141

CHAPTERS	REVISED SECTIONS	NEW SECTIONS	DELETED SECTIONS
13		4.c.	

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

Chapter 13, Section 4.C – includes language regarding Medicare contractors' review of LMRPs.

These instructions should be implemented within your current operating budget.

NOTE*:* **Red italicized font identifies new material.**

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Chapter 13 - Local Medical Review Policy

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4 - When To Develop New/Revised LMRP - (Rev. 27, 07-02-02)

The use of LMRP helps avoid situations in which claims are paid or denied without a provider having a full understanding of the basis for payment and denial.

A -- Contractors MUST Develop New/Revised LMRP

Contractors shall develop LMRPs when they have identified an item or service that is never covered under certain circumstances and wish to establish automated review in the absence of an NCD or coverage provision in an interpretive manual that supports automated review.

B -- Contractors MAY Develop New/Revised LMRP

Contractors may develop LMRPs when any of the following occur:

- a validated **widespread problem** demonstrates a significant risk to the Medicare trust funds (identified or potentially high dollar and/or high volume services); See Chapter 3,§ 2A, Error Validation Review, for an explanation of the problem validation process. Multi-state contractors may develop uniform LMRP across all its jurisdictions even if data analysis indicates that the problem exists only in one state.

- LMRP is needed to assure **beneficiary access** to care.

- a contractor has assumed the LMRP development **workload of another contractor** and is undertaking an initiative to create uniform LMRPs across its multiple jurisdictions; or is a **multi-state contractor** undertaking an initiative to create uniform LMRP across its jurisdiction; or

- **frequent denials** are issued (following routine or complex review) or frequent denials are anticipated.

C -- Contractors Must REVIEW LMRP

Within 90 Days
Contractors must review and appropriately revise affected LMRP within 90 days of the publication of program instruction (e.g., Program Memorandum, manual change, etc.) containing:

- a new or revised NCD,

- a new or revised coverage provision in interpretive manual,
- a change to national payment policy,

Within 120 Days

Contractors must review and appropriately revise affected LMRP within 120 days of the publication of an update to the ICD-9 or HCPCS coding systems.

Annually

Effective October 2001, to ensure that all LMRPs remain accurate and up-to-date at all times, at least annually, contractors must review and appropriately revise LMRPs based upon CMS NCD, coverage provisions in interpretive manuals, national payment policies and national coding policies. *All contractors must strengthen vague or incomplete sections of their local policies and ensure that policies adequately address all of the elements specified in the LMRP format.* If an LMRP has been rendered useless by a superceding national policy, it must be retired. This process must include a review of the policies at www.LMRP.net and on the contractors Web site.