
Program Memorandum Intermediaries/Carriers

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

Transmittal AB-01-113

Date: AUGUST 16, 2001

CHANGE REQUEST 1754

SUBJECT: Clarification of Comprehensive Error Rate Testing (CERT) Program Requirements for Medicare Contractor Operations Regarding Prepayment Random Medical Review

Purpose

The purpose of this Program Memorandum (PM) is to clarify the effect of CERT on carrier, intermediary, durable medical equipment regional carrier (DMERC), regional home health intermediary (RHHI), and program safeguard contractor (PSC) prepayment random medical review requirements and to provide specific dates on which changes to prepayment random medical review requirements will take effect.

Background

In Transmittal AB-00-29, Change Request (CR) 1173, dated May 2000, CMS stated:

"Carriers, intermediaries, DMERCs, and RHHIs prepayment random review requirements contained in the Budget and Performance Requirements will be reduced by an amount equal to the number of claims identified in the CERT sample."

Clarification

CMS interprets the statement in CR 1173 to mean that intermediary, carrier, DMERC, RHHI, and PSC prepayment random medical review requirements contained in the FY 2001 BPR will be eliminated when CERT is fully implemented for the contractor.

CMS considers CERT to be fully implemented when the first sample is drawn for the contractor. The first sample is usually drawn approximately two months after the first claims universe file is submitted by the contractor. The delay is needed to insure that the claims in the sample have been adjudicated by the contractor and that all needed information on claims adjudication is available for submission to CMS.

The FY 2002 Budget and Performance Requirements does not require prepayment random medical review; therefore, all contractors may stop prepayment random medical review on October 1, 2001. After October 1, 2001, contractors may elect to continue prepayment random medical review until CERT is implemented for them.

Past CERT implementation dates are:

GROUP	CERT IMPLEMENTATION DATE
DMERCS	November 1, 2000
Carriers on the VIPS system	January 1, 2001
Carriers on the EDS-MCS system as of April 1, 2001	June 1, 2001

CMS-Pub. 60AB

CMS allowed DMERCs to cease prepayment random medical review on September 1, 2000. We allowed carriers on the VIPS system to cease prepayment random medical review January 1, 2001. CMS allowed carriers who were on the EDS-MCS system as of April 1, 2001, to cease prepayment random medical review June 1, 2001. All other contractors must continue to perform prepayment random medical review throughout FY 2001 until CMS specifically notifies them that they may stop.

All contractors must cease prepayment random medical review when CERT is fully implemented for them.

The *effective date* for this PM is August 16, 2001.

The *implementation date* for this PM is August 16, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after June 1, 2002.

If you have any questions, contact John Stewart on (410) 786-1189.