
Program Memorandum Carriers

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

Transmittal B-01-62

Date: OCTOBER 11, 2001

CHANGE REQUEST 1866

SUBJECT: Problem Resolution to Issues Raised By Implementation of CR 1646 for the Medicare Carriers Processing on the Multi-Carrier System (MCS)

The purpose of this Program Memorandum (PM) is to address the resolution of issues that arose when the MCS system and associated carriers implemented jurisdictional pricing according to CR 1646. For services with place of service (POS) Home-12, the system looks to the home address on the beneficiary file in order to determine carrier payment jurisdiction. If this home address is outside of the carrier's payment jurisdiction, at their discretion, the carrier must reject or deny the claim. The home address on the beneficiary file is not always correct and does not always accurately reflect where the service was rendered.

As a temporary measure, the MCS carriers must take the following action on a post-adjudicative basis upon inquiry by a provider. If the carrier determines that the home address on the beneficiary file is not where the service was rendered, the carrier may change the POS Home-12 to POS Other Unlisted Facility-99 in order to get the claim past the MCS edit. When requesting an adjustment, the carrier must instruct the provider to provide the appropriate zip code of where the service was rendered. The carrier can then enter the zip code in Item 32 and price the claim by that zip code.

MCS carriers must continue with this process until notified by CMS that MCS has adjusted its edits so that claims with POS Home – 12 can process correctly.

| *The effective date for this PM is **no later than** November 13, 2001.*

| *The implementation date for this PM is **no later than** November 13, 2001.*

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2002.

If you have any questions, contact the appropriate regional office.