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# Program Memorandum Carriers

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Department of Health &  
Human Services (DHHS)

Centers for Medicare &  
Medicaid Services (CMS)

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Transmittal B-02-069

Date: OCTOBER 25, 2002

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## CHANGE REQUEST 2376

**SUBJECT: Messages for Use With Drug Claims**

### I - GENERAL INFORMATION

#### A - Background:

Section 114 of the Benefits Improvement and Protection Act of 2000 (BIPA) mandated that suppliers billing the DMERCs for drugs and biologicals must accept assignment. Section 4123 of the Medicare Carrier's Manual contains claims processing instructions related to all drug claims submitted to the DMERCs for payment.

This Program Memorandum implements new Medicare Summary Notice (MSN) messages for use with drug claims suppliers submit to the DMERCs. It also changes the wording of MSN 34.9 from "payment amount" to "approved amount," which applies to local carriers as well as DMERCs.

#### B - Policy:

For both beneficiary-submitted unassigned claims and supplier-submitted unassigned claims for drugs and biologicals, DMERCs must use the following appropriate messages as detailed below:

MSN 16.6 (English): This item or service cannot be paid unless the provider accepts assignment.

MSN 16.6 (Spanish): Este artículo o servicio no se pagará a menos de que el proveedor acepte asignación.

MSN 34.9 (English): If you have already paid the supplier/provider, the supplier/provider must refund any amount that exceeds the Medicare approved amount."

MSN 34.9 (Spanish): Si usted ya pagó a el suplidor/proveedor, el suplidor/proveedor debe devolver cualquier cantidad que exceda la cantidad aprobada por Medicare.

### 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*

<b>Req. #</b>	<b>Requirements</b>	<b>Resp.</b>
1	When denying a beneficiary-submitted claim use MSNs 16.6 and 34.9.	DMERC
2	When converting a supplier-submitted unassigned claim to an assigned claim, use MSNs 16.6 and 34.9.	DMERC
3	MSN 34.9 must be changed to the revised verbiage reflected above.	DMERC/ local carriers

### III - Supporting Information and Possible Design Considerations

#### A – Other Instructions: N/A

<b>X-Ref Req. #</b>	<b>Instructions</b>

#### B – Design Considerations: N/A

<b>X-Ref Req. #</b>	<b>Recommendation for Medicare System Requirements</b>

#### C - Interfaces: N/A

#### D - Contractor Financial Reporting /Workload Impact: N/A

#### E - Dependencies: N/A

#### F - Testing Considerations: N/A

### IV - Attachment(s) N/A

Version: 9/12/02	Effective Date: January 1, 2003
Implementation Date: January 1, 2003	Funding: current operating budget
Discard Date: December 31, 2003.	Pre-Implementation Contact: Renée Hildt <a href="mailto:rhildt@cms.gov">rhildt@cms.gov</a> or (410) 786-1446
Post-Implementation Contact: Appropriate Regional Office	