
Program Memorandum Carriers

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

Transmittal B-02-073

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This Program Memorandum corrects Program Memorandum B-02-065, Change Request 2281, dated October 25, 2002. The corrected material is redlined, all other material remains the same.

CHANGE REQUEST 2281

SUBJECT: Durable Medical Equipment Regional Carriers (DMERCs)—Establishment Common Working File (CWF) Override for Legitimate Duplicate Claims

I - GENERAL INFORMATION

A - Background:

Currently, CWF edits for exact duplicate claims. A duplicate claim is defined for purposes of this Program Memorandum (PM) as a claim for the same beneficiary, from the same provider or supplier, for the same Healthcare Common Procedure Code System (HCPCS) code, on the same date of service.

In all circumstances, it is appropriate to deny duplicate claims. There are, however, some circumstances where an item or service may appear to be a duplicate based solely on the criteria above, but is in actuality not a duplicate.

For example, if a pharmacy dispenses several drugs on one date of service, the pharmacy is entitled to a dispensing fee for each drug it dispensed. The dispensing fee will have the same HCPCS code for each drug. In this example, although the dispensing fee may appear to be a duplicate in the claims processing system, it is in fact appropriate to pay for the code more than once on the same date of service for the same beneficiary.

The current duplicate edits on CWF do not allow for the processing of these types of claims that may appear to be duplicates, but are not, in fact, duplicates.

B - Policy:

The CMS must continue duplicate edits to detect claims that are truly duplicates and should not be paid. However, in situations where an otherwise **legitimate** claim appears to be duplicative to CWF and the DMERC standard and local systems, but is not in fact a duplicate claim, then the DMERCs must have the ability to process and pay for these claims.

To address this situation, CMS is requiring that CWF permit overrides of duplicate denials in situations where a line item is legitimately payable.

Nothing in this Program Memorandum (PM) is intended to require DMERC staff to perform any manual review of claims that they did not manually review prior to the release of this PM.

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

| Req. # | Requirements | Resp. |
|--------|---|----------------|
| 1 | CWF must create an override at the line level for DMERC use when CWF is rejecting claims with the following reject codes: DA02, DA05, DA06, DA07, and DA09. | CWF |
| 2 | DMERCs must ensure that they only use the override in cases where they are certain that the line item being denied is a legitimate duplicate. | DMERC |
| 3 | The DMERC standard system (ViPS) and local systems must add any necessary logic to the system to handle the override established in 1 above. | ViPS/ DMERC |

III - Supporting Information and Possible Design Considerations

A – Other Instructions:

N/A

B – Design Considerations:

N/A

C - Interfaces:

N/A

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| Version: 10/25/02 | Effective Date: April 1, 2003 |
| Implementation Date: April 1, 2003 | Funding: none |
| Discard Date: March 31, 2004 | Pre-Implementation Contact: Renée Hildt (410) 786-1446 or rhildt@cms.gov |
| Post-Implementation: Contact: appropriate RO | |