
Program Memorandum

Intermediaries

HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Department of Health and Human
Services (DHHS)

Transmittal A-00-33

Date: JUNE 2000

CHANGE REQUEST 1200

SUBJECT: Education and Outreach to Coordination of Benefits Trading Partners

Background

Section 4523 of the Balanced Budget Act (BBA) of 1997 requires HCFA to implement a prospective payment system for hospital outpatient services, and for Part B services furnished to inpatients who have no Part A coverage. The UB-92 flat file layout for the coordination of benefits between Medicare and supplementary/complementary insurers was revised to accommodate changes necessary as a result of the impending Outpatient Prospective Payment System (OPPS) implementation (see Medicare Intermediary Manual Transmittal 1796, Change Request (CR) 1151. As outlined in CR 1151, these changes have provided new formats for version number 6.0, electronic UB-92 flat files for record types 51, 52, 62, and 63. HCFA will discontinue supporting UB-92 flat file versions prior to 6.0 for coordination of benefits (COB) claims as of December 31, 2000.

Outreach to Trading Partners

Intermediaries must perform outreach and educational activities with their trading partners prior to the implementation of OPPS, currently scheduled for August 1, 2000. Trading partners are defined as those insurers, with whom you have entered into a COB agreement/contract, or as required (under specified conditions) by §1842(h) (3) (B) of the Social Security Act, as enacted by §4081 of OBRA 1987 (Medigap), and State Medicaid agencies or their fiscal agents, for the purpose of receiving Medicare paid claims data through electronic crossover or hardcopy actions. If you have not already done so, you should begin education and outreach efforts with your trading partners immediately upon receipt of this Program Memorandum (PM). Specifically, you must:

- o Contact your trading partners in writing, alerting them to all changes to the UB-92 flat file layout for the coordination of benefits (refer to CR 1151);
- o Include in your written notification an overview of the BBA of 1997, highlighting Ambulatory Payment Classification (APC) groupings and the provider's ability to elect a different co-payment each year for each group of APCs. This information should clearly indicate that insurers (i.e., complementary, Medigap, State Medicaid agencies) will begin to see a variance in Medicare's reimbursement amounts, based on provider elections and APC groupings;
- o Furnish information regarding crossover testing opportunities with your trading partners;
- o Provide your trading partners with a contact person's name and telephone number, in order to facilitate your trading partners' understanding of the updated UB-92 flat file field layout requirements, line-item processing, and the impact of the OPPS initiative on their role as a trading partner; and

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- o Provide, at a minimum, the same or equal information as in bullet 2 above, on your website, if you utilize the Internet or a bulletin board to supplement your education and communication efforts.

Additional Information

For more information regarding OPPS and its effects on claims adjudication, line-item processing, claims crossovers, Medicare Secondary Notices and Explanation of Medicare Benefits, refer to the CRs listed below. In addition, refer to any other CRs already released or released after publication of this PM which are related to OPPS.

CR 980	Billing Instructions for Partial Hospitalization Services Provided in Community Mental Health Centers (CMHCs)
CR 995	Payment Calculation for Outpatient Claims (MSPPAYOL)
CR 1012	Hospital Outpatient Services Prospective Payment Systems Background
CR 1080	Requirements for Line Expansion for the UB-92 Flat File
CR 1140	Revised Outpatient Code Editor (OCE)
CR 1151	Provider Electronic Billing File and Record Formats
CR 1220	Revised Outpatient Code Editor (OCE)
CR 1229	Hospital Outpatient Prospective Payment System (OPPS) Implementation Instructions

The *effective date* for this PM is June 5, 2000.

The *implementation date* for this PM is July 17, 2000.

These instructions should be implemented within your current operating budget.

This PM may be discarded after June 5, 2001.

If you have any questions, contact your regional office COB and/or EDI contact. Regional office staff should refer related questions, as necessary, to Danielle Barbour at (410) 786-6468.