Medlearn Matters
Information for Medicare Providers

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New Policy and Refinements on Billing Non-Covered Charges to Fiscal Intermediaries (FIs)

Provider Types Affected

Providers who bill Medicare FIs

Provider Action Needed

This instruction refines guidance in Chapter 1, Section 60 of Medicare's On-Line Publication 100-04, Medicare Claims Processing Manual. It serves to effect compliance with the Health Insurance Portability and Accountability Act (HIPAA) in ensuring all services not covered by Medicare may be submitted and accepted on Medicare claims, which in turn can be crossed over to subsequent payers.

Background

Basic comprehensive instructions on billing non-covered charges to FIs are found in Chapter 1, Section 60 of Medicare's On-line Publication 100-4 on Claims Processing, and summarizes several prior program memoranda.

(See Transmittal R25CP, Change Request (CR) 2634, October 31, 2003, *Billing Non-Covered Charges to Fiscal Intermediaries – Summary and New Instructions*, at:

http://www.cms.hhs.gov/manuals/pm_trans/R25CP.pdf.)

The scope of these instructions is limited to institutional fee-for-service claims and not other types of transactions using claim formats.

Since publication of the summary instructions and one clarification (see Transmittal R133CP, CR 3115, April 2, 2004, *Billing Non-Covered Charges to Fiscal Intermediaries – Summary and New Instructions – Clarification*, at http://www.cms.hhs.gov/manuals/pm_trans/R133CP.pdf), the Centers for Medicare & Medicaid Services (CMS) has become aware of other required refinements and new need(s) including the following:

- Allowing totally non-covered provider-liable outpatient claims without either condition codes 20 or 21 – NEW NEED; your FI will accept and process to completion totally non-covered outpatient claims as long as either: (1) condition code 20 or 21 appears on the claim; (2) no other indicators appear at the

claim or line level to indicate a possibility of beneficiary liability; or (3) all indicators at the claim or line level indicate provider, not beneficiary, liability.

- Providing additional guidance on billing bundled services related to an Advance Beneficiary Notice (ABN) with specific examples for rural health clinics (RHCs), federally qualified health clinics (FQHCs) and laboratory panel tests billed on institutional claims – REFINEMENT;
- Bypassing of some edits related to non-covered ambulance line items billed as non-covered using the QM or QN modifiers so those claims/line items can process to completion – REFINEMENT; and
- Other updates to web site addresses, conforming text, and comparable administrative changes.

Finally, although the basic principles of billing non-covered charges are static, there will be some ongoing adjustments required because of changes in related policy areas, which is the case with any type of billing.

For example, as CMS refines its beneficiary financial protection notices, such as the ABNs and Notices of Exclusion from Medicare Benefits (NEMBs), the policies on billing non-covered charges will also be subject to review and potentially change, because they are intertwined with these notices in terms of determination of liability. (See NEMBs listed on CMS web site http://www.cms.hhs.gov/medicare/bni/).

Policy related to ABNs and similar notices has been evolving rapidly since 2000 and the ramifications of changes in this policy area for billing are likely to continue into 2005.

Implementation

The implementation date for this instruction is April 4, 2005.

Additional Information

Revisions to the Medicare General Information, Eligibility, and Entitlement Manual (Pub. 100-01) and the Medicare Claims Processing Manual (Pub. 100-04) are attached to the official instruction issued to your FI. You may view that instruction by going to:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

From that Web page, look for CR 3416 in the CR NUM column on the right, and click on the file for that CR.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at:

http://www.cms.hhs.gov/medlearn/tollnums.asp