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# Program Memorandum Intermediaries/Carriers

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

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Transmittal AB-02-153

Date: NOVEMBER 1, 2002

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## CHANGE REQUEST 2414

**SUBJECT: Claims Processing Instructions for the Medicare Disease Management Demonstration**

**SCOPE:**

This Program Memorandum (PM) describes the changes needed to implement a new demonstration project for disease management for severely and chronically ill Medicare beneficiaries with congestive heart failure, diabetes, and /or coronary heart disease (“Disease Management Demonstration” or DMD).

This demonstration will use the same notice of election (NOE) and claims processing systems as the Medicare Coordinated Care Demonstration. These requirements are specified below under “Related Change Requests” (CRs).

All of the claims processed under this demonstration will be processed by NHIC –California. The only fiscal intermediaries (FIs) affected by the demonstration will be those specified in Attachment I. The FIs will not process any claims under the demonstration. FIs will only serve as a conduit for transmitting information to and from CWF about the NOEs that have been keyed in by the DMD site using direct data entry procedures.

**BACKGROUND:**

This demonstration was mandated under Section 121 of the Medicare, Medicaid, and State Child Health Insurance Program Benefits Improvement and Protection Act of 2000 (BIPA). The purpose of this demonstration is to study the impact on costs and health outcomes of applying disease management services supplemented with coverage for prescription drugs for certain Medicare beneficiaries with diagnosed, advanced-stage congestive heart failure, diabetes, or coronary heart disease. The demonstration will last for 3 years.

**RELATED CHANGE REQUESTS (CRs):**

1. CR 1116, Transmittal AB-00-71, Issued August 7, 2000
2. CR 1548, Transmittal AB-01-30, Issued February 2, 2001
3. CR 1750, Transmittal AB-01-93, Issued June 28, 2001
4. CR 2334, Transmittal AB-02-119, Issued August 21, 2002

**BUSINESS REQUIREMENTS:**

1. All of the requirements of the above related change requests must be applicable to this demonstration.
  - 1.1. A list of the organizations participating in this demonstration is provided in Attachment I. This list is subject to amendment in the future.

2. The DMD participating sites will use the same special processing number (“37”) on their claims as the Medicare Coordinated Care demonstration sites.
3. Three new HCPCS procedure codes will be added to allow for monthly billing of drugs under the demonstration.
  - 3.1.1. Attachment II lists the proposed procedure codes to be added.
  - 3.1.2. Only one drug code may be billed for any beneficiary in a given month. Attachment II specifies the edits required.
  - 3.1.3. Subject to approval by the Medicare project officer, sites participating in the Medicare Coordinated Care demonstration may also use these procedure codes.
4. As with the Medicare Coordinated Care Demonstration, services and/or supplies may be provided to a beneficiary while s/he is an inpatient in a skilled nursing facility (SNF). Under both demonstrations, these procedure codes are payable in addition to the charges from the SNF and are not subject to consolidated billing.
5. The effective date of this demonstration is April 1, 2003. The actual date upon which services will begin to be provided may vary by site but will be no earlier than April 1, 2003.

**The *effective date* for this PM is April 1, 2003.**

**The *implementation date* for this PM is April 1, 2003.**

**No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2003 operating budgets.**

**This PM may be discarded after December 31, 2007.**

If you have any questions, contact Jody Blatt (410) 786-6921 or Don Sherwood (410) 786-6651.

ATTACHMENT I

DEMONSTRATION SITES AND CONTRACTORS USED FOR PROCESSING CLAIMS

Site #	Demonstration Site Name	Service Area	Fiscal Intermediary for NOE Processing ONLY	Part A/ FI Provider ID ( <i>Demonstration Specific</i> )	Carrier for Demonstration Claim Processing ONLY	Part B/Carrier Specific Provider ID ( <i>Demonstration Specific</i> )	NOTES
1	CorSolutions	Louisiana	Trailblazers (see "NOTES" column)	450899	NHIC	<i>To be assigned</i>	The FI in Louisiana is Trispan Health Services (Mississippi BC). However, CorSolutions already has connectivity via Trailblazers for the Medicare Coordinated Care Demonstration. To ease implementation, if a new Part A number is required for this demonstration, we will continue to use the existing FI connectivity.
2	Diabetex	San Antonio & Corpus Christie, Texas	Trailblazer	<i>To be assigned</i>	NHIC	<i>To be assigned</i>	
3	PacifiCare	California	UGS	<i>To be assigned</i>	NHIC	<i>To be assigned</i>	

**ATTACHMENT II**

**ADDITIONAL HCPCS CODES FOR MEDICARE COORDINATED CARE AND DISEASE MANAGEMENT DEMONSTRATIONS**

<b>Code <sup>1</sup></b>	<b>Description</b>	<b>CWF Edit</b>	<b>Definition</b>	<b>Payment Amount</b>
G9013	Monthly Drug Benefits – Level 1	Cannot be paid in a month with G9014 or G9015	All drugs and pharmaceutical supplies provided to a patient enrolled in a coordinated care or disease management demonstration plan at the Level 1 benefit level. Payable once per month per beneficiary by the disease management entity.	<i>To be determined – demonstration site specific</i>
G9014	Monthly Drug Benefits – Level 2	Cannot be paid in a month with G9013 or G9015	All drugs and pharmaceutical supplies provided to a patient enrolled in a coordinated care or disease management demonstration plan at the Level 2 benefit. Payable once per month per beneficiary by the disease management entity.	<i>To be determined – demonstration site specific</i>
G9015	Monthly Drug Benefits – Level 3	Cannot be paid in a month with G9013 or G9014	All drugs and pharmaceutical supplies provided to a patient enrolled in a coordinated care or disease management demonstration plan at the Level 3 benefit level. Payable once per month per beneficiary by the disease management entity.	<i>To be determined – demonstration site specific</i>

<sup>1</sup> The Type of Service (TOS) for all codes will be “01”.