
Program Memorandum Intermediaries/Carriers

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

Transmittal AB-03-020

Date: FEBRUARY 14, 2003

This Program Memorandum re-issues AB-02-022, Change Request 1558 dated February 13, 2002. The only change is the discard date; all other material remains the same.

This Program Memorandum re-issues AB-01-25, Change Request 1558 dated February 7, 2001. The only change is the discard date; all other material remains the same.

CHANGE REQUEST 1558

SUBJECT: Clarification of Transmittal AB-00-107, Change Request 1163, and Transmittal AB-00-129, Change Request 1460, Regarding the Coordination of Benefits (COB) Contractor and Medicare Secondary Payer (MSP) Prepay Work Activities for Customer Service, MSP and Standard Systems Contractor Staff

I. Justification

This Program Memorandum (PM) is being released to clarify certain issues as a result of our implementation of Phase III of the COB contract, MSP claims investigations. This instruction does not supersede guidance provided in AB-00-107 or AB-00-129, unless otherwise specified.

II. COB Contractor

The COB Contractor implemented Phase III, MSP claims investigation on January 8, 2001. This implementation resulted in virtually all prepay MSP development activities formerly performed by Medicare intermediaries and carriers being transferred to the COB Contractor. The COB Contractor assumed responsibility to develop to determine the existence or validity of MSP for Medicare beneficiaries. MSP development and investigations performed by the COB Contractor will occur as a result of MSP inquiries (telephone or written) received directly by the COB Contractor, or as a result of MSP inquiries (telephone or written) and Common Working File (CWF) assistance requests it receives from you.

III. Updating Responsibilities on the Common Working File (CWF)

A. Intermediary and Carrier--With the implementation of AB-00-107, Medicare intermediaries and carriers retain the responsibility of adding termination dates to MSP auxiliary records already established on CWF with a "Y" validity indicator, where there is no discrepancy in the validity of the information contained on CWF. Continue to handle phone calls and written inquiries relating to simple terminations of existing MSP occurrences. Simple terminations are defined as terminations that can be made to a MSP auxiliary record without further development or investigation. Do not transfer these calls or written inquiries to the COB Contractor. In determining whether a call is to be handled by you or the COB Contractor, establish the basis of the call. The COB Contractor is not responsible for handling solely case related inquiries and issues (e.g., terminations, recovery). Do not automatically forward these calls to the COB Contractor.

You no longer possess the capability to delete MSP auxiliary records. Send your deletion request via ECRS.

Example 1

Scenario: Mr. Doe is calling to report that his employer group health coverage has ended.

Intermediary/carrier action: Check for matching auxiliary record on CWF and terminate, if no conflicting data are presented. Do not transfer the call to the COB Contractor.

Example 2

Scenario: Mrs. X is calling to report that she has retired.

Intermediary/carrier action: Check for matching auxiliary record on CWF and terminate if no conflicting data are presented. Do not transfer the call to the COB Contractor.

Example 3

Scenario: You receive written correspondence that benefits are exhausted for an automobile case.

Intermediary/carrier action: Check for matching auxiliary record on CWF. If you are the lead, terminate in accordance with existing guidelines (e.g., accounting of monies spent). If you are not lead on the case, refer to the lead contractor based on pre-COB guidelines as outlined in the fiscal year (FY) 2001 MSP postpay Budget and Performance Requirements (BPRs). Do not forward the correspondence to the COB Contractor.

Example 4

Scenario: Union Hospital is calling to report that the MSP period contained on CWF for beneficiary X should be terminated.

Intermediary/carrier action: Check for matching auxiliary record on CWF and terminate if no conflict in evidence is presented. Do not transfer the call to the COB Contractor.

Example 5

Scenario: You receive information that a liability case is no longer being pursued.

Intermediary/carrier action: Check for matching auxiliary record on CWF. Forward to COB Contractor for deletion via ECRS.

B. COB Contractor.--With the implementation of AB-00-107, the COB Contractor assumed the responsibility to add termination dates to records not covered in Section III. A., above. In addition, the COB Contractor assumed the responsibility to update MSP occurrences as a result of a request from you, or as a result of COB development and investigation.

Example 1

Scenario: The termination date is greater than 6 months prior to the date of accretion (i.e., SP 57 error code) for all COB contractor numbers (e.g., 11100-11111, 33333, 77777, 88888, or 99999). (All COB contractor numbers follow the old data match 6-month termination rule.)

Intermediary/carrier action: Send a CWF assistance request to the COB Contractor.

COB contractor action: Check for matching record on CWF and terminate. In cases where discrepant information exists, the COB Contractor will investigate to determine the proper course of action.

Example 2

Scenario: The intermediary/carrier receives information that is discrepant with the information contained on CWF.

Intermediary/carrier action: Forward to the COB Contractor for investigation via ECRS.

COB contractor action: Check for matching record on CWF and investigate as appropriate.

Example 3

Scenario: COB Contractor receives written correspondence that a liability case has been settled.

COB contractor action: Check for matching record on CWF. If the CWF record was established prior to January 8, 2001, the COB Contractor will forward the information to the originating contractor. If it was established on or after January 8, 2001, the COB Contractor will forward the information to the lead contractor.

IV. No-Fault, Workers' Compensation, and Liability Referrals to the COB Contractor

A. Intermediaries and Carriers.--With the implementation of AB-00-107, Change Request 1163, dated November 9, 2000, Medicare intermediaries and carriers retain the responsibility of handling phone and written inquiries related to existing no-fault insurance (automobile no-fault insurance of all types, including personal injury protection/med-pay), workers' compensation (WC) and liability cases, unless the phone call or written correspondence reveals information discrepant with that on CWF. Cases established prior to January 8, 2001, follow pre-COB implementation lead contractor rules as outlined in the FY2001, MSP postpay BPRs. Cases established on or after January 8, 2001 follow the lead contractor postpay requirements. Refer to the lead contractor listing dated January 8, 2001. If you do not have the current lead contractor listing, contact your regional office (RO) MSP coordinator.

In determining whether a call is to be handled by you or the COB Contractor, you must establish the basis of the call. The COB Contractor is not responsible for handling solely case related inquiries and issues (e.g., terminations, recovery). Do not automatically forward these calls to the COB Contractor.

Do not submit MSP inquiries to the COB Contractor to determine lead for cases established on CWF prior to January 8, 2001. COB will not develop or designate lead for these submittals. These submittals will be automatically closed on ECRS. If you (i.e., originator of record) are not the lead contractor, it is your responsibility to assist the caller in identifying the lead contractor.

Example 1

Scenario: Attorney X is calling to report a beneficiary accident.

Intermediary/carrier action: Verify if there is an already existing case on CWF. If there is a record on CWF related to this situation, established prior to January 8, 2001, advise the attorney to contact the lead contractor based on pre-COB implementation FY 2001 postpay BPR guidelines. If the case was established on or after January 8, 2001, use the lead contractor listing to identify the lead contractor. This should not be forwarded to the COB Contractor since this is an already pre-established case on CWF. If no matching record exists, verify whether this was reported to the COB Contractor. If the attorney indicates that the matter has not been reported to the COB Contractor, refer to the COB Contractor via ECRS or in accordance with the transfer procedures in AB-00-107, Section VII. Advise the attorney that, once the case is established, the COB Contractor will identify which contractor will be handling the specifics of the case (i.e., lead contractor).

COB Contractor action (if transferred): Verify that there is not a matching case on CWF. Create MSP auxiliary record on CWF, load into lead contractor database on ECRS, and send letter to attorney. Send additional notice to all parties involved, where applicable (e.g., beneficiary, liable insurer). Identify lead contractor, and advise the attorney to forward the lead contractor a signed beneficiary release to establish the case file. Inform attorney that all case information must be forwarded to the designated lead contractor.

Example 2

Scenario: Attorney X is calling to ascertain Medicare's interest.

Intermediary/carrier action: Verify if there is an already existing case on CWF. If not, ask the attorney if this matter has been reported to the COB Contractor. If the attorney indicates that it has been reported, ask the attorney if he/she was advised to send a letter of representation. If "yes," upon

your receipt of the representation letter to establish a case file. The attorney has been advised by the COB Contractor to forward all case material to the designated lead contractor. If no matching record exist on CWF, verify whether this was reported to the COB Contractor. If the attorney indicates that the matter has not been reported, refer to the COB Contractor via ECRS or through the transfer procedures in accordance with the transfer procedures in AB-00-107, Section VII. Advise the attorney that once the case is established, the COB Contractor will identify which contractor will be handling the specifics of the case (i.e., lead contractor).

COB Contractor action (if transferred): Verify that there is not a matching case on CWF. Create MSP auxiliary record on CWF, load into lead contractor database on ECRS, and send letter to attorney. Send additional notice to all parties involved, where applicable (e.g., beneficiary, liable insurer). Identify the lead contractor and advise the attorney to forward the lead contractor a signed beneficiary release to establish the case file. Inform attorney that all case information must be forwarded to the designated lead contractor.

You will be able to view newly created “Y” auxiliary records on CWF and lead contractor information on ECRS within 24 - 48 hours of being established by the COB Contractor.

NOTE: In the interest of maintaining a high level of customer service and public relations, apply discretion in cases where the caller has been routed back and forth, using the ECRS option to transfer the information to the COB Contractor.

B. COB Contractor--The COB Contractor will handle all calls and written correspondence where a beneficiary, third party payer, provider or attorney is initially reporting the existence of an automobile no-fault, WC or liability case. The COB Contractor will develop all information necessary to establish a MSP occurrence. These auxiliary records will appear on CWF and the ECRS lead contractor listing within 24 - 48 hours of being established. The COB Contractor will identify and advise the attorney and/or third party payer who the lead contractor is. The COB Contractor will also advise the attorney to forward the lead contractor a signed beneficiary release to establish the case file. The COB Contractor will not maintain any case information, once a lead has been determined. All case documentation received from any source will be forwarded to the lead contractor.

After the COB Contractor has established a new case (i.e., added a “Y” auxiliary record, assigned lead contractor) all follow-up calls are the responsibility of the designated lead contractor. If the COB Contractor receives a call regarding an already established case on CWF (pre-January 8, 2001), the COB Contractor will instruct the caller to contact the originator of the MSP occurrence. If you (i.e., originator of record) are not the lead contractor, it is your responsibility to assist the caller in identifying the lead contractor. Do not route back to the COB Contractor.

Example 1

Scenario: Attorney A is calling the intermediary/carrier to report that he/she is representing Beneficiary B.

Intermediary/carrier action: Verify whether or not there is an already matching case on CWF. If there is a record on CWF related to this situation, established prior to January 8, 2001, advise the attorney to contact the lead contractor based on pre-COB implementation FY 2001 postpay MSP BPR guidelines. If the case was established on or after January 8, 2001, use the lead contractor listing to identify the lead contractor. This should not be forwarded to the COB Contractor since this is an already pre-established case on CWF. If no matching record exists, verify whether this was reported to the COB Contractor. If the attorney indicates that the matter has not been reported to the COB Contractor, refer to the COB Contractor via ECRS or in accordance with the transfer procedures in AB-00-107, Section VII. Advise the attorney that once the case is established, the COB Contractor will identify which contractor will be handling the specifics of the case (i.e., lead contractor).

COB Contractor action (if transferred): Verify that there is not a matching case on CWF. Create MSP auxiliary record on CWF, load into lead contractor database on ECRS, and send letter to attorney. Send additional notice to all parties involved, where applicable (e.g., beneficiary, liable insurer). Identify lead contractor and advise the attorney to forward the lead contractor a signed beneficiary release to establish the case file. Inform attorney that all case information must be forwarded to the designated lead contractor.

Example 2

Scenario: Attorney Y calls the intermediary/carrier to obtain Medicare's interest and to notify you of the accident.

Intermediary/carrier action: Verify whether or not there is an already matching case on CWF. If there is a record on CWF related to this situation established prior to January 8, 2001, advise the attorney to contact the lead contractor based on pre-COB implementation FY 2001 postpay BPR guidelines. If the case was established on or after January 8, 2001, use the lead contractor listing to identify the lead contractor. This should not be forwarded to the COB Contractor since this is a pre-established case on CWF. If no matching record exists, verify whether this was reported to the COB Contractor. If the attorney indicates that the matter has not been reported to the COB Contractor, refer to the COB Contractor via ECRS, or in accordance with the transfer procedures in AB-00-107, Section VII. Advise the attorney that, once the case is established, the COB Contractor will identify which contractor will be handling the specifics of the case (i.e., lead contractor).

COB Contractor action (if transferred): Verify that there is not a matching case on CWF. Create MSP auxiliary record on CWF, load into lead contractor database on ECRS, and send letter to attorney. Send additional notice to all parties involved, where applicable (e.g., beneficiary, liable insurer). Identify lead contractor and advise the attorney to forward to the lead contractor a signed beneficiary release to establish the case file. Inform the attorney that all case information must be forwarded to the designated lead contractor.

Example 3

Scenario: Provider A calls the intermediary/carrier to report it received a denial from Employer B, stating that Medicare has always been the primary payer.

Intermediary/carrier action: Check for matching record on CWF. Transfer the information through ECRS to the COB Contractor for investigation.

COB Contractor action: Investigate as necessary with the beneficiary and/or employer and update CWF.

Example 4

Scenario: COB Contractor receives a call regarding an already existing no-fault case established prior to implementation (i.e., January 8, 2001).

COB Contractor action: Indicate that this is an existing case and refer the caller to the originator of the record to pursue casework and recovery.

Intermediary/carrier action: The originator of the record must determine lead for the case in accordance with FY 2001 postpay MSP BPR instructions.

V. Intermediary and Carrier Claim Referrals to the COB Contractor

With the implementation of AB-00-107, Medicare intermediaries and carriers retain the responsibility to process claims for Medicare payment. The COB Contractor is not responsible for processing any claims, nor will it handle any mistaken payment recoveries or claims specific inquiries (telephone or written).

Instruct providers not to forward claims or copies of claims to the COB Contractor. All claims related activity (e.g., processing, adjustments) remain your jurisdiction (including claims submitted with value codes, primary payer information, EOB's, copies of checks). If claims are received that do not contain enough information to create an "I" record, follow current claims processing guidelines and send the information through ECRS as a MSP inquiry. Send this information within one (1) business day of processing the claim.

The COB Contractor will return any claims received to the submitter indicating that claims should only be sent to its local contractor for claims processing and payment.

In cases of claims clarification where you would normally contact (telephone) the provider to complete the processing of a claim in order to avoid suspending or RTP'ing the claim back to the provider, you may continue this practice. However, if you find that the clarification provided by the provider is still questionable or is in direct opposition to CWF, follow current claims processing guidelines and send the information through ECRS as a MSP inquiry. Send this information within one (1) business day of processing the claim.

VI. Intermediary/Carrier "I" Auxiliary Records

Refer to AB-00-107, Section II for specific instances when use of an "I" record is permitted.

Do not use an "I" record where you do not have a pending claim or unsolicited refund. In cases where you do not have a pending claim or unsolicited refund, but you receive MSP information (correspondence or verbal), refer to the COB Contractor via ECRS. Information sent via ECRS will be loaded to CWF within 24 hours by the COB Contractor where there is no discrepancy.

VII. COB Contractor MSP Development

A. Trauma Code Development (TCD)--MSP edits for trauma codes are in CWF for COB Contractor development use only. Intermediaries and carriers are not authorized to perform any trauma code editing or development beginning January 8, 2001.

Do not suspend, return, or deny any claims based solely on existence of a trauma diagnosis. Including trauma code edits into the standard systems is in direct opposition to the requirements under AB-00-107, Section VIII. D. Standard systems must delete all trauma code editing from their systems immediately.

B. No-Fault Development--The COB Contractor will determine whether there is coverage primary to Medicare through a form of no-fault insurance (automobile no-fault insurance of all types, including personal injury protection/med-pay). In cases where information received indicates benefits have been exhausted, the lead contractor will verify the exhaustion of benefits (e.g., accounting of monies spent). The COB Contractor will forward any information received regarding benefits exhausted to the lead contractor for necessary action. If the MSP record was established prior to January 8, 2001, the COB Contractor will forward related information to the originator of the record. If the case was established on or after January 8, 2001, the COB Contractor will use the lead contractor listing to identify the lead contractor.

VIII. Paper Documentation

In cases where it is necessary, or you are requested to mail paper documents to the COB Contractor, the following address must be utilized:

MEDICARE-Coordination of Benefits Contractor
MSP Claims Investigation Project
P.O. Box 5041
New York, NY 10274-5041

Questionnaires returned as a result of development you performed prior to January 8, 2001, must not be mailed to the COB Contractor. Instead, submit these via ECRS. Do not forward negative

responses that you received as a result of development initiated before January 8, 2001, to the COB Contractor. Negative responses will not be loaded to CWF. In addition, pending workloads must not be mailed to the COB Contractor. Instead, submit these via ECRS.

If you receive a COB Contractor MSP development letter that should be returned to the COB Contractor, mail it to the address indicated above.

Only data match information may be sent to the data match address.

IX. Electronic Correspondence Referral System (ECRS)

A. ECRS System Hours and Contacts.--The COB Contractor's ECRS is operational from 8:00 a.m. to 8:00 p.m. (EST), excluding weekends and holidays. Your data center will be notified during extended periods of ECRS downtime. Current COB data center constraints limit expansion of ECRS operational processing hours.

Contact your COB consortia representative (Section X, below) regarding ECRS systems processing issues. If you do not receive a response to your inquiry or issue within 4 business days, contact Alberta Smythe at (646) 458-6694 or Patricia Warren (back-up) at (646) 458-6644. If you do not receive a response to your response after 4 business days, contact your RO for assistance.

ECRS issues can be e-mailed to the COB Contractor at cob@ghimedicare.com. If you do not receive a response to your inquiry or issue within 7 business days, contact your RO for assistance.

Do not contact GHI's help desk for routine ECRS processing issues. Report connection problems or systems failures/crashes directly to GHI's technical support staff at (212) 615-4647 or (212) 615-4677.

B. Status of ECRS CWF Assistance Requests.--After 15 business days, check ECRS to note the status of your inquiry. If there is no status update or a response to your inquiry (e.g., phone call) after 30 business days, contact your COB consortia representative (Section X, below).

C. ECRS Version 2.1.--Version 2.1 will be disseminated to all data centers by February 16, 2001, for testing purposes. Version 2.1 will be available for contractor use by April 2, 2001.

X. COB Consortia Representatives

There are **only** four instances in which you may contact your COB consortia representative. They are:

- A. Congressional inquiries (refer to AB-00-107, Section III).
- B. Preparing background information for a hearing (refer to AB-00-107, Section III).
- C. ECRS processing issues.
- D. Status of ECRS CWF assistance request.

Consortia 1	Leila Wheatley Anthony Plata	(646) 458-6645 (646) 458-6639
Consortia 2	Alex Zaldivar Justine Lavallo Dorothy Larto	(646) 458-6647 (646) 458-6636 (646) 458-6635
Consortia 3	Edwin Riveria Cheray Diggs	(646) 458-6640 (646) 458-6634
Consortia 4	Annette Shomari	(646) 458-6642

Ken Wiener (646) 458-6646
Raul Alvarado (646) 458-6716

The *effective date* for this PM is February 1, 2001.

The *implementation date* for this PM is February 15, 2001.

These instructions should be implemented within your current operating budget.

| This PM may be discarded after February 15, 2004.

If you have any questions, contact your regional office MSP Coordinator.