

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1283</b>	<b>Date: August 15, 2013</b>
	<b>Change Request 8321</b>

**Transmittal 1248, dated June 14, 2013, is being rescinded and replaced by Transmittal 1283 dated August 15, 2013 to reflect an accelerated implementation date of August 16, 2013. All other information remains the same.**

**SUBJECT: Multi Carrier System (MCS) Modifications to Liability Assignment Regarding Therapy Cap Claim Denials**

**I. SUMMARY OF CHANGES:** This CR changes the payment liability assigned to MCS edits enforcing the therapy caps for professional claims from PR (patient responsibility) to CO (contractual obligation).

**EFFECTIVE DATE: January 1, 2013**

**IMPLEMENTATION DATE: August 16, 2013**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One-Time Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1283	Date: August 15, 2013	Change Request: 8321
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**SUBJECT: Multi Carrier System (MCS) Modifications to Liability Assignment Regarding Therapy Cap Claim Denials**

**EFFECTIVE DATE: January 1, 2013**

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## I. GENERAL INFORMATION

**A. Background:** Payment liability is assigned in Medicare systems using remittance advice group codes. For professional claims, shared system changes are required to change the group codes code assigned to edits enforcing the therapy caps from PR (patient liability) to CO (contractual obligation).

**B. Policy:** Section 603(c) of the *American Taxpayer Relief Act of 2012* (ATRA) revised the payment liability for therapy limit denials. The law changes these denials from beneficiary liability to provider liability, effective January 1, 2013.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Shared- System Maintainers				Other
		A	B					H H H	F I S S	M C S	V M S	
8321.1	Contractor shall change the default group code assigned to edits enforcing the therapy caps from PR (patient responsibility) to CO (contractual obligation) for claims with dates of service on or after January 1, 2013.								X			
8321.2	Contractors shall use the following Remittance Advice Remark Code (RARC):  MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.		X				X					
8321.3	Contractors shall implement changes in their		X				X		X			

Number	Requirement	Responsibility											
		A/B MAC			D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				Other
		A	B	H H H					F I S S	M C S	V M S	C W F	
	claims process to ensure that assignment of the CO group code, CARC 119, and RARC MA13 only apply to dates of service on or after January 1, 2013.												
8321.4	Contractors shall ensure that assignment of the CO group code, CARC 119, and RARC MA13 only apply to line items where the GA modifier is not present on the claim		X				X				X		
8321.5	Contractors shall ensure that assignment of the PR group code continues for dates of service on or after January 1, 2013, if the GA modifier is present on the claim.		X				X				X		
8321.6	Contractors shall ensure that assignment of the PR group code continues for any dates of service before January 1, 2013.		X				X				X		

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility							
		A/B MAC			D M E M A C	F I	C A R R I E R	R H H I	Other
		A	B	H H H					
8321.7	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be		X				X		

Number	Requirement	Responsibility						
		A/B MAC		D M E	F I	C A R R I E R	R H H I	Other
		A	B	H H H	M A C			
	included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.							

#### IV. SUPPORTING INFORMATION

##### Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
8321.7	CMS will develop a provider education message alerting therapy providers of the liability change. The message will inform providers that claims will not be adjusted to correct liability. The message will instruct providers to refund any beneficiary payments they have collected associated with therapy cap denials with dates of service on or after January 1, 2013, and to take steps to avoid further collections based on the incorrectly assigned liability. Contractors shall use this information to address provider inquiries.

##### Section B: All other recommendations and supporting information: N/A

#### V. CONTACTS

**Pre-Implementation Contact(s):** Brian Reitz, 410-786-5001 or [brian.reitz@cms.hhs.gov](mailto:brian.reitz@cms.hhs.gov), April Billingsley, 410-786-0140 or [april.billingsley@cms.hhs.gov](mailto:april.billingsley@cms.hhs.gov)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

#### VI. FUNDING

##### Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

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