
Medicare

Carriers Manual

Part 3 - Claims Process

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

Transmittal 1789

Date: FEBRUARY 3, 2003

CHANGE REQUEST 2502

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
Table of Contents – Chapter III	3-1.1a - 3-2 (4 pp.)	3-1.1a - 3-2 (3 pp.)
3104	3-66.1 (1 p.)	3-66.1 - 3-66.2 (2 pp.)
3110 - 3116	3-67 - 3-69 (3 pp.)	3-67 - 3-69 (3 pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: July 1, 2003*
IMPLEMENTATION DATE: July 1, 2003

Section 3103, Railroad Retirement Beneficiary Carrier, is revised to reflect the name of the carrier that currently processes those claims.

Section 3105, United Mine Workers of America (UMWA), is deleted. Information for disposition of UMWA claims is now included in §3110.

Section 3106, Title XIX Beneficiaries Residing in California, is no longer valid and is deleted.

Section 3110, Disposition of Misdirected Claims, is revised to include information on UMWA claims. As for other misdirected claims, carriers will now return UMWA claims to the provider to resubmit to the UMWA for processing. The RA message N104 is also revised to reflect the correct Web address of www.cms.hhs.gov.

Any references to HCFA have been replaced with CMS.

Carriers must notify providers of these revisions, including the newly established remittance advice remark code, in their regularly scheduled bulletins. They must also post the information on their Web sites and on any list serves they maintain within 2 weeks of the date of this transmittal.

NOTE: Information concerning Indian Health Service claims can be found in Change Request 2055, Transmittal AB-02-150, issued October 25, 2002.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

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b. The Wilmington laboratory draws a blood specimen from a patient whose physician has ordered a blood culture. The Wilmington lab then sends the specimen to the Boston laboratory which performs the required test. American Laboratories accepts an assignment for the service. If the Delaware carrier has the capability of comparing the Wilmington lab's charge for the blood culture against the appropriate reasonable charge screens for the Boston lab, the Delaware carrier will retain jurisdiction for processing the claim. If the Delaware carrier does not have this capability, the claim should be transferred to the Massachusetts carrier for processing.

3103. RAILROAD RETIREMENT BENEFICIARY CARRIER

Claims for payment involving individuals who are qualified railroad retirement beneficiaries (QRRBs), including those who are entitled to both social security and railroad retirement benefits, are handled by **Palmetto GBA** with the following exceptions:

- o The services are furnished by a GPPP which deals directly with **CMS** on a cost basis;
- o The QRRB is enrolled under a buy-in agreement involving a State agency which has entered into an agreement to act as a carrier with respect to such individuals. (See §3104); or
- o The medical services were provided outside the United States, in which case the claim is handled by the RRB. (See §2312.7 for handling claims for services in Mexico.)

If a claim involves medical services provided both within and outside the United States, **Palmetto GBA** processes the claim for the medical services provided within the United States. If the claimant raises a question as to why he was not paid for the medical services provided outside the United States, **Palmetto GBA directs the claimant to contact the RRB and forwards the claim to them at:**

Railroad Retirement Board
Division of Disability and Health Insurance
844 Rush St.
Chicago, IL 60611

3104. WELFARE CARRIERS

The claims of beneficiaries enrolled under a state buy-in agreement (see §1050A) may be handled by a state welfare agency. Such a welfare carrier furnishes **CMS** with a membership list including HICNs. Their records are then coded to show that these beneficiaries are serviced by a welfare carrier. Where this is the case, it is indicated in the query reply or automatic notice reply and the welfare carrier identified. (At present, the only State Agency designated as a carrier is the Oklahoma Department of Public Welfare.)

3110. DISPOSITION OF MISDIRECTED CLAIMS

This section applies to misdirected claims that are payable by local carriers and have been sent to the wrong carrier or are payable by the **Railroad Retirement Board (RRB)**, **the United Mine Workers of America (UMWA)**, or **the Indian Health Service (IHS)** but have been mistakenly sent to the local carrier. It does not apply to misdirected claims that are payable by a DMERC, but have mistakenly been sent to the incorrect DMERC. Current processes per the DMERC statement of work should be followed for those claims. It also does not apply to misdirected claims that are payable by a DMERC, but have mistakenly been sent to the local carrier or vice versa. DMERCs and carriers should continue with current claims processing procedures for these claims.

A. A Local Carrier Receives a Claim with Some or All Services that are in Another Local Carrier's Payment Jurisdiction.--When you receive a request for Medicare payment for services furnished outside of your payment jurisdiction, (see §3005.1), return assigned services as unprocessable, and deny unassigned services. Pay services correctly submitted to you.

Use the following messages:

Remittance Advice (RA)

Claim adjustment reason code 109 – Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor.

New remark code N104 - This claim/service is not payable under our claims jurisdiction area. You can identify the correct Medicare contractor to process this claim/service through the CMS website at www.cms.hhs.gov.

Medicare Summary Notice (MSN)

11.7 – This claim/service is not payable under our claims jurisdiction area. We have notified your provider that they must forward the claim/service to the correct carrier for processing.

Spanish - Esta reclamación/servicio no se paga bajo nuestra jurisdicción de reclamaciones. Le hemos notificado a su proveedor que debe enviar la reclamación/servicio a la agencia de seguros de Medicare Parte B apropiada para ser procesada.

B. A Local Carrier Receives a Claim for an RRB Beneficiary.--When you receive a request for Medicare payment from a provider for RRB beneficiaries, per §3005, return as unprocessable assigned services and deny unassigned services. Pay services correctly submitted to you.

Use the following messages:

RA

Claim adjustment reason code 109 – Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor.

New remark code N105 - This is a misdirected claim/service for a RRB beneficiary. Submit paper claims to the RRB carrier: Palmetto GBA, P.O. Box 10066, Augusta, GA 30999. Call 866-749-4301 for RRB EDI information for electronic claims processing.

MSN

11.9 – This claim/service is not payable under our claims jurisdiction. We have notified your provider to send your claim for these services to the Railroad Retirement Board Medicare carrier.

Spanish - Esta reclamación/servicio no se paga bajo nuestra jurisdicción de reclamaciones. Le hemos notificado a su proveedor que debe enviar la reclamación por estos servicios a la Junta de Retiro Ferroviario (RRB, por sus siglas en inglés), agencia de seguros de Medicare Parte B.

NOTE: The CMS requests that when RRB receives a claim that is not for an RRB beneficiary that they return the claim to the sender and notify them that the claim must be submitted to the local carrier or DMERC for processing.

C. A Local Carrier Receives a Claim for an UMWA Beneficiary.--When you receive a request for Medicare payment that should be processed by the UMWA, per §3005, return as unprocessable assigned services and deny unassigned services.

Use the following messages:

RA

Claim adjustment reason code 109 – Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor.

New remark code N127 - This is a misdirected claim/service for a United Mine Workers of America beneficiary. Submit paper claims to: UMWA Health and Retirement Funds, PO Box 389, Ephraim, UT 84627-0361. Call Envoy at 1-800-215-4730 for information on electronic claims submission.

MSN

11.11 - This claim/service is not payable under our claims jurisdiction. We have notified your provider to send your claim for these services to the United Mine Workers of America for processing.

11.11 - Esta reclamación/servicio no se paga bajo nuestra jurisdicción de reclamaciones. Le hemos notificado a su proveedor que debe enviar la reclamación por estos servicios a la Unión de Trabajadores Mineros de América.

D. Misdirected HMO Claims.--Handle misdirected claims/services for HMO enrollees in accordance with §4267.1.

3110.1 Transfer of Claims Material Between Carrier and Intermediary.--If a beneficiary erroneously submits to you an HCFA-1490S with an itemized bill for services that must be paid by the Part A intermediary, forward such claims to the intermediary for the necessary action.

3110.2 Signature Requirements.--In the situation described in § 3110.1, intermediaries have been instructed to obtain hospital billings (including SSA-1554's) if necessary and that the patient's signature on the SSA-1490 satisfied the signature requirement for the hospital billings. Carrier will

occasionally receive from hospitals SSA-1554's lacking a patient's signature but showing in the signature block an entry substantially as follows: "Patient's signature on SSA-1490 retained by Part A intermediary." The carrier is authorized to make payment on the basis of this entry.

3115. PAYMENTS UNDER PART B FOR SERVICES FURNISHED BY SUPPLIERS OF SERVICES TO PATIENTS OF A PROVIDER

Payment for certain medical and other health services can be made either to the provider who arranges for the services or to the supplier of the services. (See § 2255.) For this purpose, a nonparticipating skilled nursing facility will be considered a supplier. If a participating provider or nonparticipating hospital arranges for these services, it should submit billings to the intermediary on the appropriate provider billing form (SSA-1483). If the supplier does not provide the services under arrangements with a provider, it can either accept an assignment and bill the carrier on an SSA-1490 or furnish the patient with an itemized bill.

Where a supplier regularly furnishes covered medical and other health services to inpatients of a provider or nonparticipating hospital, either the intermediary or the carrier should always be billed for such services so that billing does not vary on a case-by-case basis. The same billing arrangements should also continue to apply after a beneficiary exhausts his Part A benefits so that further benefits in that spell of illness are covered only under Part B.

The intermediary should ascertain whether the provider or supplier will bill for the services and notify the carrier of the billing arrangements. The carrier should confirm the supplier's understanding of the arrangements.

When a supplier furnishes these medical and other health services to patients of more than one institution, it need not make the same arrangements with all of them; that is, the supplier could arrange for one provider to bill for all services furnished to its inpatients, and the supplier could bill directly all inpatients of another provider to whom it furnishes services.

Since payment can be made under Part A only for services furnished by a provider "under arrangements" with the supplier, i.e., the provider bills the program, suppliers and providers should be encouraged to arrange for the provider to bill the program.

Any billing submitted which is inconsistent with the agreed arrangements should be rejected, and the provider or supplier (or beneficiary) who billed the program should be advised that the claim must be refiled in the proper manner.

3116. PARENTERAL AND ENTERAL NUTRITION (PEN) CLAIMS JURISDICTION

There are two PEN specialty carriers. Each carrier's claims jurisdiction is determined by the PEN supplier's "Home Office" location. The western PEN carrier processes all PEN claims generated by suppliers with authorized PEN identification numbers that are located west of the Mississippi River and in Minnesota. The eastern PEN carrier processes all claims from PEN suppliers with authorized PEN identification numbers that are located east of the Mississippi River. (See §§3329 and 4450 for PEN claims processing instructions.)