CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 971

Department of Health & Human Services (DHHS)

Center for Medicare & Medicaid Services (CMS)

Date: JUNE 2, 2006

Change Request 5104

SUBJECT: Clarification Regarding Effective Dates for Carrier Claim Adjustments: Denied Replacement Defibrillator Claims Lacking a QR Modifier

I. SUMMARY OF CHANGES: This CR clarifies that carriers are to consider any payable date of service when a provider seeks an adjustment of a replacement defibrillator claim denied for lack of QR modifier. The effective date is not date of service but instead reflects the original "turn-on" date of the QR modifier edits. The clarification is to be implemented no later than 90 days from issuance of this CR; if carriers can implement it sooner, they are to do so.

NEW/REVISED MATERIAL

EFFECTIVE DATE: April 1, 2005

IMPLEMENTATION DATE: September 5, 2006

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/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 971	Date: June 2, 2006	Change Request 5104

SUBJECT: Clarification Regarding Effective Dates for Carrier Claim Adjustments: Denied Replacement Defibrillator Claims Lacking a QR Modifier

I. GENERAL INFORMATION

A. Background: On March 8, 2005, Change Request (CR) 3604, Transmittal 497, was issued to provide instructions to CMS contractors on how to process ICD services under the newly expanded coverage. Among other specifications, CR 3604 informed CMS contractors that one of the requirements for covering the new indications is that the patient be enrolled in a data collection system. That the patient is enrolled in such a data collection system is indicated by the presence on the claim of the QR modifier, which identifies services being covered under a clinical study. CMS instructed its systems maintainers to create an edit to require the presence of a QR modifier on ICD claims billed for patients receiving a defibrillator for the new indications or for any other indication that is for the primary prevention of sudden cardiac arrest (no history of induced or spontaneous arrythmias) to show that the data is being submitted to a data collection system. The edit was constructed to check for the absence of a secondary prevention diagnosis code: if the diagnosis code was other than one of these secondary diagnosis codes, then the QR modifier would be required in order to cover the services.

Further, when any of the secondary prevention diagnosis codes appear on an ICD claim, the QR modifier is not required. However, it should be noted that providers are permitted to append the QR modifier for secondary prevention diagnoses if they deem it appropriate, i.e., that data is submitted to a data collection registry.

Since the publication of CR 3604, CMS became aware that there are additional possible diagnoses which show neither primary nor secondary preventions of cardiac arrest. Such a diagnosis would occur when the patient is having his/her ICD replaced, as could occur due to ICD recall or device complication (such as the end of battery-life). It would be incorrect to deny such claims on the basis that they lacked a QR modifier. To prevent such denials, CR 4273, Transmittal 819, issued January 27, 2006, added two new ICD-9-CM diagnosis codes, to the list of those that do not require a QR modifier:

a. **996.04,** Mechanical complication of cardiac device, implant, and graft,
Due to automatic implantable cardiac defibrillator.

b. **V53.32**, Fitting and adjustment of other device,
Automatic implantable cardiac defibrillator.

The new edit affects claims with dates of service April 1, 2005, and after, and was implemented on April 3, 2006.

However, in accordance with CR 3604, carriers in effect turned on the original edit on April 1, 2005, thereby affecting all claims submitted on that date and after, including any with earlier dates of service; the purpose of doing so was to ensure that the QR modifier was being appropriately applied to the extent

possible for claims for ICD services rendered for the primary prevention of cardiac arrest. That means, however, that replacement defibrillator claims with dates of service earlier than April 1, 2005, may have incorrectly denied solely because they lacked a QR modifier, in addition to those with later dates of service.

The purpose of this CR is to clarify that carriers are to adjust as appropriate denied ICD replacement claims brought to their attention with any date of service when the denial was caused because the claim lacked a QR modifier.

This instruction does not apply to FIs, who implemented the original and revised edits according to dates of service.

B. Policy: The QR modifier identifies services covered under a clinical study. It is required as a condition for payment on claims for ICD services rendered as part of new indications effective on January 27, 2005, as well as for any other ICD services rendered as a primary prevention of cardiac arrest.

In addition, it is appropriate to append the QR modifier for ICD services rendered for the secondary prevention of cardiac arrest when data is being sent to a data collection registry. However, for ICD services rendered for the secondary prevention of cardiac arrest, CMS will not be using the presence or absence of a QR modifier as criteria in determining whether such claims are payable in its automatic claims processing systems.

The following diagnosis codes do not by themselves represent a condition where primary or secondary prevention can be ascertained:

a. **996.04,** Mechanical complication of cardiac device, implant, and graft,
Due to automatic implantable cardiac defibrillator.

This diagnosis is used when the patient is having his/her ICD replaced due to a mechanical complication, as could occur due to ICD recall.

b. **V53.32**, Fitting and adjustment of other device,
Automatic implantable cardiac defibrillator.

This diagnosis is used when there is a fitting or an adjustment and can include device removal or replacement; it would be used when the ICD reaches is natural end-of-battery life.

It is incorrect to deny ICD claims with these replacement diagnoses solely because they lack a QR modifier. Therefore, carriers are to adjust such claims as appropriate when they were denied for a lack of a QR modifier and when they are brought to their attention. Dates of service for such claims may pre-date the turn-on date for the original carrier edit of April 1, 2005; therefore carriers are to consider all payable dates of service (i.e., claims submitted according to timeliness and coverage requirements) when reviewing and adjusting these claims.

While CR 4273 corrects the automatic claims processing that would result in such denials effective for claims with dates of service April 1, 2005, and after, carriers may continue to learn of such denials with

earlier dates of service and requiring adjustments when brought to the carriers' attention. Carriers are also to inform providers that they may have such claims requiring adjustments.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
5104.1	Medicare carriers shall adjust as appropriate replacement ICD claims brought to their attention that were denied solely because the diagnosis code was 996.04 or V53.32 and the claim lacked a QR modifier, for any payable date of service (i.e., meeting timeliness and coverage requirements). However, contractors need not search their files to retroactively pay claims.			X						
5104.2	Medicare contractors shall inform providers that they may request an adjustment in the event their replacement defibrillator claims were denied due solely to the lack of a QR modifier and clarify that the date of service may be earlier than April 1, 2005, as well as on and after.			X						

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
5104.3	A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles 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 site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. 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.			X						

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: April 1, 2005; not date of service; reflects original "turn-on" date of QR modifier edits. **Implementation Date:** September 5, 2006 **Pre-Implementation Contact(s):** **Coverage:** **Part B/carrier claims:** Claudette Sikora at claudette.sikora@cms.hhs.gov **Post-Implementation Contact(s):** Regional office	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.**

*__Unless otherwise specified, the effective date is the date of service.__