New Common Working File (CWF) Medicare Secondary Payer (MSP) Type for Workers' Compensation Medicare Set-aside Arrangements (WCMSAs), to Stop Conditional Payments – JA5371

Note: MLN Matters article MM5371 was revised to reflect a revised transmittal related to Change Request (CR) 5371. The CR was changed to clarify some of the requirements. The CR release date, transmittal numbers, and the Web address for accessing that transmittal were also changed.

Related CR Release Date: January 9, 2009 Revised

Date Job Aid Revised: March 30, 2009

Effective Date: July 1, 2009

Implementation Date: July 6, 2009

Key Words	MM5371, CR5371, R1703CP, 65MSP, CWF, MSP, WCMSA, Workers, Compensation, Set-aside
Contractors Affected	• Medicare Carriers • Fiscal Intermediaries (FIs) • Part A/B Medicare Administrative Contractors (A/B MACs) • Regional Home Health Intermediaries (RHHIs) • Durable Medical Equipment MACs (DME MACs)
Provider Types Affected	Physician, providers and suppliers who bill Medicare Carriers, DME MACs, FIs, RHHIs, and A/B MACs for services related to workers' compensation liability claims

- To prevent Medicare paying primarily for future medical expenses that should be covered by WCMSA, CR5371 provides Medicare contractors with instructions on the creation of a new MSP code in Medicare's claims processing systems.
- With the creation of the new MSP code, the Centers for Medicare & Medicaid Services (CMS) will have the capability to discontinue conditional payments for diagnosis codes related to such settlements.

Provider Needs to Know...	• CMS has a review process for proposed WCMSA amounts and updates its CWF system in connection with its determination, regarding the proposed WCMSA amount. • CMS has determined that establishing a new MSP code in its systems, which identifies situations where CMS has reviewed a proposed WCMSA amount, will assist Medicare contractors in denying payment for items or services that should be paid from an individual's WCMSA funds. • The creation of a new MSP code specifically associated with the WCMSA situation will permit Medicare to generate automated denial of diagnosis codes associated with the open WCMSA occurrence. • When denying a claim because of these edits, the Medicare contractor will notify the beneficiary using Medicare Summary Notice (MSN) message 29.33 - *Your claim has been denied by Medicare because you may have funds set aside from your settlement to pay for your future medical expenses and prescription drug treatment related to your injury(ies).* • Medicare will use Reason Code 201, Group Code PR, and Remark Code MA01 on outbound claims and/or remittance advice transactions when Medicare denies claims based on the WCMSA presence. • On 271 inquiry reply transactions, Medicare will reflect the WCMSA on the 271 response with "EB" followed by the qualifier "WC".
Background	A WCMSA is an allocation of funds from a workers' compensation related settlement, judgment, or award that is used to pay for an individual's future medical and/or future prescription drug treatment expenses related to a workers' compensation injury, illness, or disease that would otherwise be reimbursable by Medicare.
Operational Impact	N/A
Reference Materials	The related MLN Matters article can be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5371.pdf* on the CMS website. Providers can find the official instruction (CR5371) issued regarding this change in two transmittals: *http://www.cms.hhs.gov/Transmittals/downloads/R1703CP.pdf*, and *http://www.cms.hhs.gov/Transmittals/downloads/R65MSP.pdf* on the CMS website. For additional information regarding WCMSAs, providers may visit *http://www.cms.hhs.gov/WorkersCompAgencyServices* on the CMS website.