



The Use of the "CR" Modifier and the "DR" Condition Code on Disaster/Emergency-Related Claims – JA6451

Note: JA6451 was revised to add a reference to MLN Matters® article MM7156, which is available at <http://www.cms.gov/MLN MattersArticles/downloads/MM7156.pdf>, for further information on what constitutes a formal waiver when Medicare payment is conditioned on the presence of such a waiver.

Related CR Release Date: July 31, 2009 **Revised**

Date Job Aid Revised: December 22, 2010

Effective Date: August 31, 2009

Implementation Date: August 31, 2009

Key Words	MM6451, CR6451, R1784CP, CR, DR, Condition, Disaster, Emergency
Contractors Affected	<ul style="list-style-type: none"> • Fiscal Intermediaries (FIs) • Medicare Carriers • Part A/B Medicare Administrative Contractors (A/B MACs)
Provider Types Affected	Physicians, providers, and suppliers submitting claims to Medicare Carriers, FIs, and/or A/B MACs for disaster/emergency-related services provided to Medicare beneficiaries



- Change Request (CR) 6451 updates and amends claims processing requirements for the use of condition codes and modifiers on Medicare fee-for-service claims when the furnishing of an item or service to a Medicare beneficiary was affected by a disaster or other general public emergency.
- CR6451 also establishes a new chapter in the *Medicare Claims Processing Manual* dedicated to standing policies and procedures applicable to disasters and other public emergencies.

The "DR" Condition Code

- The title of the "DR" condition code is "disaster related" and its definition requires it to be "used to identify claims that are or may be impacted by specific payer/health plan policies related to a national or regional disaster."
- The "DR" condition code is used only for institutional billing (i.e., claims submitted by providers on an institutional paper claim form CMS-1450/UB-04 or in the electronic format American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 837I).
- In previous emergencies, use of the "DR" condition code was entirely discretionary with the billing provider or supplier. It no longer may be used at the provider or supplier's discretion.
- Effective August 31, 2009, use of the "DR" condition code will be mandatory for any claim for which Medicare payment is conditioned directly or indirectly on the presence of a "formal waiver."

The "CR" Modifier

- Both the short and long descriptors of the "CR" modifier are "catastrophe/disaster related."
- The "CR" modifier is used in relation to Part B items and services for both institutional and non-institutional billing. Non-institutional billing (i.e., claims submitted by "physicians and other suppliers") is submitted either on a professional paper claim form CMS-1500 or in the electronic format ANSI ASC X12 837P or for pharmacies, in the National Council for Prescription Drug Program format.
- In previous emergencies, use of the "CR" modifier was entirely discretionary with the billing provider or supplier. It no longer may be used at the provider or supplier's discretion.
- Effective August 31, 2009, use of the "CR" modifier will be mandatory for applicable Healthcare Common Procedure Coding System codes on any claim for which Medicare Part B payment is conditioned directly or indirectly on the presence of a "formal waiver."

Formal Waivers

- A "formal waiver" is a waiver of a program requirement that otherwise would apply by statute or regulation.
- There are two types of formal waivers.
 - One type is a waiver of a requirement specified in Section 1135(b) of the Social Security Act (Act). Although Medicare payment rules themselves are not "waivable" under this statutory provision, the waiver of a Section 1135(b) requirement may permit Medicare payment in a circumstance where such payment would otherwise be barred.
 - The second type of formal waiver is a waiver based on a provision of Title XVIII of the Act or its implementing regulations. The most commonly employed waiver in

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this latter category is the waiver of the "3-day qualifying hospital stay" requirement that is a precondition for Medicare payment for skilled nursing facility services. This requirement may be waived under Section 1812(f) of the Social Security Act.

Further Instructions in the Event of a Disaster or Emergency

- In the event of a disaster or emergency, the Centers for Medicare & Medicaid Services (CMS) will issue specific guidance to Medicare contractors that will:
 - Contain a summary of the Secretary's declaration (if any);
 - Specify the geographic areas affected by any declarations of a disaster or emergency;
 - Specify what formal waivers and/or informal waivers, if any, have been authorized;
 - Specify the beginning and end dates that apply to the use of the "DR" condition code and/or the "CR" modifier; and
 - Specify what other uses of the condition code and/or modifier, if any, will be mandatory for the particular disaster/emergency.

Background

- As part of its response to the 2005 *Katrina* hurricane emergency, CMS developed the "DR" condition code and the "CR" modifier to facilitate the processing of claims affected by that emergency.
- The "DR" condition code and "CR" modifier were also authorized for use on claims for items and services affected by subsequent emergencies.
- Based on that experience, the Medicare fee-for-service program is refining the uses of both the code and the modifier to ensure that program operations are sufficiently flexible to accommodate the emergency health care needs of beneficiaries and the delivery of health care items and services by health care providers/suppliers in emergency situations without adding undue administrative burden associated with claim submission.
- The use of the "CR" modifier and "DR" condition code indicates not only that the item/service/claim was affected by the emergency/disaster, but also that the provider has met all of the requirements CMS has issued to Medicare contractors regarding the emergency/disaster.

Operational N/A
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**Reference
Materials**

The related MLN Matters® article can be found at
<http://www.cms.gov/MLNMattersArticles/downloads/MM6451.pdf> on the CMS website.

The official instruction (CR6451) issued regarding this change may be found at
<http://www.cms.gov/Transmittals/downloads/R1784CP.pdf> on the CMS website.
