



New Medicare Summary Notice (MSN) Message for Higher than Expected Prospective Payment System (PPS) Payments – JA6910

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Implementation Date: October 4, 2010

Key Words	MM6910, CR6910, R684OTN, MSN, Message, PPS, Payments
Contractors Affected	<ul style="list-style-type: none"> • Fiscal Intermediaries (FIs) • A/B Medicare Administrative Contractors (A/B MACs) • Regional Home Health Intermediaries (RHHIs)
Provider Types Affected	Providers submitting claims to FIs, A/B MACs, and/or RHHIs for services provided to Medicare beneficiaries



Change Request (CR) 6910 creates a new MSN message to explain to beneficiaries that payment greater than charges are acceptable under prospective payment systems.

Provider Needs to Know...

- When Medicare sets payment prospectively, a payment unit is worked out in advance for a whole group of services that are delivered together as part of a single Medicare benefit.
 - This type of payment is made instead of paying each service alone on the basis of its individual cost.
 - Sometimes payments may be less than expected based on charges for individual services, but also, sometimes greater than expected.
 - Consequently, CR6910 institutes a new MSN message to briefly explain the higher-than-expected amounts under each PPS.
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- This new MSN message will reduce related administrative costs of individual explanations as questions arise with use of an appropriate MSN message for a reminder.
- The definition for this new message is shown in the following table in English and Spanish.

MSN Message #30.41

30.41	English	<i>What Medicare pays for a service or item may be higher than the billed amount. The Medicare payment amount is correct. Medicare pays this provider less than the billed amount on other claims since payment rates are set in advance for certain services and averaged out over an entire year.</i>
	Spanish	<i>La cantidad que Medicare paga por un servicio o suministro puede ser mayor a la cantidad facturada. El pago de Medicare es correcto. Medicare le paga a este proveedor menos de la cantidad facturada para otras reclamaciones, debido a que los índices de pago se establecen por anticipado para ciertos servicios y se promedian para el año.</i>

Background

- The Social Security Act (Section 1806; see http://www.ssa.gov/OP_Home/ssact/title18/1806.htm on the Internet) requires that Medicare send its beneficiaries a statement which lists the items and services where Medicare made payment on their behalf.
- Some Medicare beneficiaries have been surprised by MSNs showing higher than expected payment which are less than or equal to the amounts billed for services they received.
- These beneficiaries receive MSNs from Medicare as a record of what the Medicare Program paid on their behalf.
- This also makes them aware of any related remaining financial liability and informs them of existing appeal rights subsequent to the Medicare Program's payment decisions.
- The Centers for Medicare & Medicaid Services (CMS) recognizes that these concerns are conscientious and expressed by beneficiaries who are concerned about improper Medicare expenditures.
- Therefore, CR6910 creates a new MSN message to briefly explain the higher-than-expected amounts outlines above.

Operational Impact	N/A
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Reference Materials	The related MLN Matters® article can be found at http://www.cms.gov/MLN MattersArticles/downloads/MM6910.pdf on the CMS website. The official instruction (CR6910) regarding this change may be viewed at http://www.cms.hhs.gov/Transmittals/downloads/R684OTN.pdf on the CMS website.
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