



## Shipboard Services Billed to the Carrier and Services Not Provided Within the United States (U.S.): Change Request (CR) 6327 rescinds and fully replaces CR 6217 – JA6327

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Implementation Date: March 13, 2009

**Key Words** MM6327, CR6327, R1677CP, R102BP, Shipboard

**Contractors Affected**

- Medicare Carriers
- Fiscal Intermediaries (FIs)
- 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 billed shipboard services provided to Medicare beneficiaries



CR6327 revises the *Medicare Claims Processing Manual* and the *Medicare Benefit Policy Manual* to clarify that Medicare contractors will make payment for physician and ambulance services furnished in connection with a covered foreign hospitalization, including emergency physician and ambulance services furnished during the time period immediately preceding the covered foreign hospitalization. **CR6327 rescinds and fully replaces CR6217.**

**Provider Needs to Know...**

- The Medicare *Claims Processing Manual* (Chapter 1, Section 10.1.4.7) currently states that:
  - Services furnished by a physician or supplier in U.S. territorial waters must be furnished on board vessels of American registry, and
  - The physician must be registered with the Coast Guard in order for Medicare to make payment.
- However, that manual language is not consistent with Medicare law.

- The Centers for Medicare & Medicaid Services (CMS) is clarifying Section 10.1.4.7 in order to make it consistent with current Medicare law by removing the language that states:
  - The vessels must be of American registry, and
  - The physician must be registered with the Coast Guard.
- To show that physician and ambulance services furnished in connection with a covered foreign hospitalization are covered, CMS is also clarifying:
  - Chapter 1, Sections 10.1.4, and 10.1.4.1 of the *Medicare Claims Processing Manual*;
  - Chapter 3, Section 110.1 of the *Medicare Claims Processing Manual*; and
  - Chapter 16, Section 60 of the *Medicare Benefit Policy Manual*.
- The term “and during a period of” covered foreign hospitalization implies that only physician and ambulance services that are furnished during the period of the covered foreign hospitalization are covered (i.e., the period after the beneficiary has been admitted to the foreign hospital). **In fact, the emergency physician and ambulance services are covered both:**
  - During the time period immediately before the beneficiary is actually admitted to the foreign hospital; and
  - During the covered foreign hospitalization itself.

**Note:** The term “United States” includes the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and (for purposes of services rendered on a ship) the territorial waters adjoining the land areas of the U.S.

**Background**

- Medicare law prohibits payment for items and services furnished outside the U.S. except for certain limited services (see the Social Security Act, Section 1814(f) at [http://www.ssa.gov/OP\\_Home/ssact/title18/1814.htm](http://www.ssa.gov/OP_Home/ssact/title18/1814.htm) and Section 1862(a)(4) at [http://www.ssa.gov/OP\\_Home/ssact/title18/1862.htm](http://www.ssa.gov/OP_Home/ssact/title18/1862.htm) on the Internet).
- The law specifies the following are exceptions to the “foreign” exclusion:
  - Inpatient hospital services at a foreign hospital that is closer to, or more accessible from, the individual’s residence within the U.S. than the nearest U.S. hospital that is adequately equipped and available to treat the individual’s condition, whether or not an emergency exists;
  - Inpatient hospital services for treatment of an emergency in a foreign hospital that is closer to, or more accessible from, the place the emergency arose than the nearest U.S. hospital that is adequately equipped and available to deal with the emergency, provided either of the following conditions exist:
    - The emergency arose within the U.S; or
    - The emergency arose in Canada while the individual was traveling, by the most

direct route and without unreasonable delay, between Alaska and another state;

- Physician and ambulance services in connection with a foreign inpatient hospital stay that is covered in accordance with what is stated above.

Operational  
Impact

N/A

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6327.pdf> on the CMS website.

The official instruction (CR6327) issued regarding this change may be found in two transmittals. The first modifies the *Medicare Claims Processing Manual* and is available at <http://www.cms.hhs.gov/Transmittals/downloads/R1677CP.pdf> on the CMS website. The second modifies the *Medicare Benefit Policy Manual* and that transmittal is at <http://www.cms.hhs.gov/Transmittals/downloads/R102BP.pdf> on the CMS website. The revised chapters of two manuals referenced above are attachments to CR6327.

Reference  
Materials

Providers may want to review the following:

- Chapter 1, Section 10.1.4 of the *Medicare Claims Processing Manual* for the definitions of "territorial waters" and "United States." That section may be found at <http://www.cms.hhs.gov/manuals/downloads/clm104c01.pdf> on the CMS website;
- Chapter 3, Section 110.1 of the *Medicare Claims Processing Manual* at <http://www.cms.hhs.gov/manuals/downloads/clm104c03.pdf> on the CMS website; and
- Chapter 16, Section 60 of the *Medicare Benefit Policy Manual* at <http://www.cms.hhs.gov/manuals/Downloads/bp102c16.pdf> on the CMS website.