



Related MLN Matters Article #: MM3440

Date Posted: February 2, 2005

Related Change Request#: 3440

Administrative Simplification Compliance Act (ASCA) Enforcement of Mandatory Electronic Submission of Medicare Claims

Keywords

CR3440, MM3440, R450CP, ASCA, Compliance, Act, Electronic, Submission, Exceptions, Requirements, Paper, Claims

Provider Types Affected

All Medicare providers

Key Points

- The effective date of instruction is July 1, 2005.
- The implementation date is July 5, 2005.
- MLN Matters article MM3440 was revised on January 31, 2005 to reflect a new Change Request (CR) release date and CR transmittal number.
- Medicare is prohibited by the ASCA from making payments on or after October 16, 2003 for claims that are not submitted electronically.
- Some exceptions to this electronic claim submission requirement include the following:
 - Small provider (a provider billing a Medicare fiscal intermediary that has fewer than 25 Full-Time Equivalent employees (FTEs), and a physician, practitioner, or supplier with fewer than 10 FTEs that bills a Medicare Carrier);
 - Dentist;
 - Participant in a Medicare demonstration project in which paper claim filing is required due to the inability of the Applicable Implementation Guide, adopted under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), to report data essential for the demonstration;
 - Provider that conducts mass immunizations, such as flu injections, and may be permitted to submit paper roster bills;
 - Provider that submits claims when more than one other payer is responsible for payment prior to Medicare payment;
 - Provider that only furnishes services outside of the United States;

- Provider experiencing a disruption in electricity and communication connections that are beyond his or her control; and
- Provider that can establish an “unusual circumstance” exists that precludes submission of claims electronically.
- The process for post-payment based enforcement is as follows:
 - Providers’ Medicare contractor will analyze reports displaying the number of paper claims that all providers submitted each quarter;
 - By the end of the month following the quarter, selected providers who have submitted the highest numbers of paper claims will be reviewed;
 - Medicare contractors will ask these providers to provide information that establishes the exception criteria listed above.
- If one such provider does not respond to this initial “Request for Documentation” letter within 45 days of receipt, the provider’s contractor will notify them by mail that Medicare will deny and not pay any paper claims that they submit beginning ninety days after the date of the initial request letter.
- This Medicare decision is not subject to appeal.
- The Medicare contractor will also tell the provider how to obtain free and commercially available HIPAA-compliant billing software packages.
- If the provider responds with information that **does** establish eligibility to submit paper claims, the contractor will notify them by mail that they meet one or more exception criteria to the requirements in Section 3 of the ASCA, Pub.L.107-105 (ASCA) and the implementing regulation at 42 CFR 424.32, and the provider will be permitted to submit paper claims.
- If the provider situation changes to the point that they no longer meet the exception criteria, they will be required to begin electronic submission of their claims.
- If the provider is permitted to submit paper claims, their carrier/intermediary will not review their eligibility to submit paper claims again for at least two years.
- Additional information can be found in the online Manual 100.04, Chapter 24, Section 90, Subsection 5 at <http://www.cms.hhs.gov/manuals/downloads/clm104c24.pdf> on the CMS website.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3440.pdf> on the CMS website.

Providers can learn more about the instructions issued to their carrier/intermediary, regarding ASCA Enforcement of Mandatory Electronic Submission of Medicare Claims, at <http://www.cms.hhs.gov/Transmittals/downloads/R450CP.pdf> on the CMS website.