



Related MLN Matters Article #: MM3500

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Unprocessable Unassigned Form CMS-1500 Claims

Key Words

CR3500, MM3500, CMS-1500, Claim, COB, Part B, HIPAA, Non-Compliant, Pub 100-04, SNF

Provider Types Affected

Skilled nursing facilities (SNFs) billing Medicare fiscal intermediaries (FIs)

Key Points

- The effective date of the instruction is July 1, 2005.
- The implementation date is July 5, 2005.
- MM3500 makes necessary changes to ensure consistency in the handling of Medicare Part B claims and to ensure that HIPAA noncompliant data is not transmitted to Coordination of Benefits (COB) trading partners.
- MM3500 notifies physicians, providers, and suppliers that unassigned Centers for Medicare & Medicaid Services (CMS) form 1500 claims and electronic interface equivalents that are incomplete or contain invalid information will be returned as unprocessable to the submitters for correction or resubmission.
- When the claims are returned there are no appeals rights.
- When the claims are corrected and then processed, electronic crossover claims can be sent to COB trading partners that are HIPAA compliant and the COB secondary payer claims can be processed for Medicare beneficiaries.
- Under HIPAA rules, COB trading partners are not required to process claims that are not HIPAA compliant, and in claims with multiple service lines, the entire claim might be rejected. The inclusion of HIPAA noncompliant data has resulted in some COB trading partners refusing to process such crossover claims for Medicare beneficiaries.
- The *Medicare Claims Processing Manual* (Pub. 100-04) provides instructions for handling Medicare claims, including Part B Form CMS-1500 claims that have incomplete or invalid information.

- See Pub. 100-04, Chapter 1 (General Billing Requirements), Section 80.3.1 (Incomplete or Invalid Claims Processing Terminology) at <http://www.cms.hhs.gov/manuals/downloads/clm104c01.pdf> on the CMS web site.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3500.pdf>

<http://www.cms.hhs.gov/transmittals/downloads/R505CP.pdf>