



Related MLN Matters Article #: MM5105 **Revised**

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Related CR #: 5105

Collection of Fee-for-Service Payments Made During Periods of Managed Care Enrollment (Previously CR2801 Program Memorandum Transmittal AB-03-101) - MANUALIZATION

Key Words

MM5105, CR5105, CR2801, R106FM, AB-03-101, Fee-for-Service, Payments, Managed, Enrollment, Manualization

Provider Types Affected

Physicians, providers, and suppliers submitting fee-for-service claims to Medicare Carriers, Durable Medical Equipment Regional Carriers (DMERCs), Fiscal Intermediaries (FIs), and/or Regional Home Health Intermediaries (RHHIs) for services furnished to Medicare beneficiaries enrolled in Medicare Advantage (MA) Organizations

Note: MLN Matters article MM5105 was revised to provide a link to the plan directory that can be used to associate the plan name to the plan number. **Also, providers should note that MA organizations are also referred to as managed care plans, MA plans, and plans.**

Key Points

- The implementation date of the instruction is June 26, 2006.
- The effective date is October 1, 2003.
- Change Request (CR) 5105 was issued to ensure that any fee-for-service claims that were approved for payment during a period when the beneficiary was enrolled in a MA Organization are submitted to the normal collection process used by the contractors for overpayments.
- When the Centers for Medicare & Medicaid Services (CMS) data systems recognize a beneficiary has enrolled in a MA Organization, the MA Organization receives capitation payments for the Medicare beneficiary.
- In some cases, enrollments with retroactive dates are processed.
- The result is that Medicare may pay for the services rendered during a specific period twice:

- First, for the specific service which was paid by the fee-for-service Medicare contractor and
- Second, by the MA Payment Systems in the monthly capitation rate to the MA plan for the beneficiary.

Overview of the MA Plan Enrollment Process

- When an MA plan enrollment is processed retroactively:
 - Fee-for-service claims with dates of service that fall under the MA plan enrollment period are identified by Medicare's Common Working File (CWF) and
 - An Informational Unsolicited Response (IUR) record is created.
- In essence, the retroactive enrollment triggers a search for fee-for-service claims that were incorrectly paid for services rendered when the beneficiary was covered by the MA plan.
- If such claims are found, the system generates an adjustment and initiation by Medicare systems of overpayment recovery procedures.
- The current policy/procedures, as outlined in CR2801 (Transmittal AB-03-101, dated July 18, 2003) and CR5105, dictate that:
 - Claims paid in error (due to enrollment or disenrollment corrections) will be adjusted, and
 - Medicare contractors will initiate overpayment recovery procedures.
- A variety of the CMS systems issues have prompted CMS to recently synchronize MA enrollment and disenrollment information for the period September 2003 to April 2006.
- As a result, providers may have claims that were affected by this synchronization.
- To see details of the impact of this synchronization, providers should see *MLN Matters* article, SE0638, which is available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0638.pdf> on the CMS website.
- When claims are identified as needing payment recovery, the related remittance advice for the claim adjustment will indicate Reason Code 24, which states: "Payment for charges adjusted. Charges are covered under a capitation agreement/managed care plan." **Upon receipt, providers are to contact the plan for payment.**
- Providers who bill carriers will be alerted by their carrier (via letter or alternate method) of the following:
 - That the beneficiary was in a MA plan on the date of service;
 - That the provider should bill the managed care plan;
 - What the plan identification number is; and
 - Where to find the plan name and address associated with the plan number on the CMS website.
- For providers who bill FIs, the adjustment will occur automatically and providers must determine which plan to contact through an eligibility inquiry or by contacting the beneficiary directly.
- To associate plan identification numbers with the plan name, providers should go to <http://www.cms.hhs.gov/MCRAAdvPartDENrolData/PDMCPDO/list.asp#TopOfPage> on the CMS website.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5105.pdf> on the CMS website.

The official instruction (CR5105) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R106FM.pdf> on the CMS website.

CR2801 (Transmittal AB-03-101, dated July 18, 2003) can be found at <http://www.cms.hhs.gov/Transmittals/Downloads/AB03101.pdf> on the CMS website: