



Related MLN Matters Article #: MM5513

Date Posted: July 23, 2007

Related CR #: 5513

Timeliness Standards for Processing 'Other-Than-Clean' Claims

Key Words

MM5513, CR5513, R1312CP, Timeliness

Provider Types Affected

Providers and suppliers submitting claims to Medicare Fiscal Intermediaries (FIs), Part A/B Medicare Administrative Contractors (A/B MACs), Durable Medical Equipment Medicare Administrative Contractors (DME MACs), and/or Regional Home Health Intermediaries (RHHIs) for services provided to Medicare beneficiaries

Key Points

- The effective date of the instruction is January 1, 2008.
- The implementation date is January 7, 2008.
- The Social Security Act (Section 1869(a)(2); http://www.ssa.gov/OP_Home/ssact/title18/1869.htm) mandates that Medicare process all "other-than-clean" claims and notify the provider/supplier filing such claims of the determination within 45 days of receiving such claims.
- The Act also further defines the term "clean claim" as meaning "a claim that has no defect or impropriety (including any lack of any required substantiating documentation) or particular circumstance requiring special treatment that prevents timely payment from being made on the claim under this title."
- Claims that do not meet the definition of "clean" claims are "other-than-clean" claims. They require investigation or development external to the contractor's Medicare operation on a prepayment basis.
- A Medicare contractor should process all "other-than-clean" claims and notify the provider and beneficiary of their determination within 45 calendar days of receipt. (See *Medicare Claims Processing Manual*, Publication 100-4, Chapter 1, Section 80.2.1 for the definition of "receipt date" and for timeliness standards for clean claims; <http://www.cms.hhs.gov/manuals/downloads/clm104c01.pdf> on the CMS website.)
- When the Medicare contractor develops the "other-than-clean" claim by asking the provider/supplier or beneficiary for additional information, the Medicare contractor should cease counting the 45 calendar

days on the day that the Medicare contractor sends the development letter to the provider/supplier and/or beneficiary.

- Upon receiving the materials requested in the development letter from the provider/supplier and/or beneficiary, the Medicare contractor should resume counting the 45 calendar days.

Example:

A Medicare contractor receives a claim on June 1st but does not send a development letter to the provider/supplier/ and/or beneficiary until June 5th. In this example, 5 of the 45 allotted calendar days will have already passed before the Medicare contractor requested the additional information. Upon receiving the information back from the provider/supplier and/or beneficiary, the Medicare contractor has 40 calendar days left to process the claim and notify the individual that filed the claim of the payment determination for that claim.

- Medicare contractors should follow existing procedures relative to:
 - The length of time the provider, supplier, and/or beneficiary is afforded the opportunity to return information requested in the development letters and
 - Situations where the provider/supplier and or beneficiary does not respond.
- This timeliness standard does not apply:
 - Where the Social Security Administration blocks a beneficiary's Health Insurance Claim Number;
 - Where there is a problem with the beneficiary's record in Medicare's files;
 - Where the claim is rejected by the translator software;
 - Where CMS instructs Medicare contractors to hold certain claims for processing (e.g., while system changes are being made to handle such claims correctly); or
 - To claims submitted by a hospice and these claims are to be processed per instructions in the *Medicare Claims Processing Manual* (Chapter 1, Section 50.2.3; <http://www.cms.hhs.gov/manuals/downloads/clm104c01.pdf>).

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5513.pdf> on the CMS website.

The official instruction (CR5513) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1312CP.pdf> on the CMS website.