



Instructions on Utilizing 837 Institutional Claim Adjustment Segments (CAS) for Medicare Secondary Payer (MSP) Part A Claims. (This Change Request (CR) rescinds and fully replaces CR6275) – JA6426

Related CR Release Date: June 26, 2009 **Revised**

Date Job Aid Revised: November 17, 2010

Effective Date: October 1, 2009

Implementation Date: October 5, 2009

Note: JA6426 was revised to add a link to MLN Matters® article MM6625 (Reporting of Recoupment for Overpayment on the Remittance Advice (RA)) in the Reference Materials section to describe the soon to be implemented (April 2011) process to reopen group health plan MSP claims processed, according to beneficiary data in Medicare's database when that MSP data is deleted or terminated after the claim was processed.

Key Words	MM6426, CR6426, R70MSP, Institutional, CAS, Secondary, MSP
Contractors Affected	<ul style="list-style-type: none"> • Fiscal Intermediaries (FIs) • Part A/B Medicare Administrative Contractors (A/B MACs) • Regional Home Health Intermediaries (RHHIs)
Provider Types Affected	Providers submitting claims to Medicare FIs, A/B MACs, and/or RHHIs for services provided to Medicare beneficiaries



- CR6426 alerts Medicare Part A FIs, MACs, and RHHIs to the changes they will need to follow when calculating MSP payment amounts from incoming American National Standards Institute (ANSI) ASC X12N 837 4010-A1 claims transactions.
- CR6426 specifically addresses their use of data reported in ANSI ASC X12N 837 institutional CAS segments for MSP Part A claims.
- **CR6426 only affects providers submitting Part A claims.** It is important for these providers to code the CAS segments of their claims accurately so that Medicare will make the correct MSP payments.

Provider Needs to Know...

- MLN Matters article MM6426 reminds providers to include the CAS segment related group codes, claim adjustment reason codes, and associated adjustment amounts on their MSP 837 claims they send to their Medicare contractor.
- Medicare contractors need these adjustments to properly process MSP claims and for Medicare to make a correct payment. This includes all adjustments made by the primary payer (e.g., an explanation of why the claim's billed amount was not fully paid).
- The instructions detailed by CR6426 are necessary to ensure:
 - Medicare complies with Health Insurance Portability and Accountability Act (HIPAA) transaction and code set requirements;
 - Providers code for the CAS segments claims to reflect any adjustments made by primary payers; and
 - MSP claims are properly calculated by Medicare contractors (and their associated shared systems) using payment information derived from the incoming 837 Institutional claim.
- Adjustments made by the payer are reported in the CAS segment on the 835 electronic remittance advice (ERA) or on hardcopy remittance advices. Providers must take the CAS segment adjustments (as found on the 835 ERA) and report these adjustments on the 837 (unchanged) when sending the claim to Medicare for secondary payment.

Note: If a provider is obligated to accept, or voluntarily accepts, an amount as payment in full from the primary payer (a.k.a. their contractual obligation), they must identify this amount as Value Code 44 in the 2300 HI Value Information. This amount is also known as the obligated to accept as payment in full amount. Details of the MSP payment provisions may be found in the *Medicare Secondary Payer Manual* and in 42 Code of Federal Regulations 411.32 and 411.33.

Background

- MSP provisions apply to situations where Medicare is not the beneficiary's primary insurance. Payment for Part A MSP claims is based on:
 - Medicare-covered charges or the physician's OTAF amount, whichever is lower;
 - What Medicare would have paid as the primary payer; and
 - The primary payer(s) payment.
- HIPAA requires that Medicare and all other health insurance payers in the United States comply with the Electronic Data Interchange standards for health care as established by the Secretary of Health and Human Services. The X12N 837 implementation guides have been established as the standards of compliance for claim transactions and the implementation guides for each transaction are available at <http://www.wpc-edi.com> on the Internet.

Operational Impact	N/A
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The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6426.pdf> on the CMS website.

Reference
Materials

The official instruction (CR6426) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R70MSP.pdf> on the CMS website.

Providers may want to review MLN Matters® article MM6625 (Reporting of Recoupment for Overpayment on the Remittance Advice (RA)) at <http://www.cms.gov/MLNMattersArticles/downloads/MM6625.pdf> on the CMS website.
