Medicare Learning Network
MLN Matters®
CMS
Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3628 MLN Matters Number: MM3628
Related CR Release Date: February 11, 2005
Related CR Transmittal #: 472
Effective Date: January 1, 2005
Implementation Date: March 15, 2005

MMA- Revisions to Payment for Services Provided Under a Contractual Arrangement

Note: This article was updated on February 16, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Physicians, providers, and suppliers billing Medicare carriers provided under a contractual arrangement

Provider Action Needed

This article includes information provided in Change Request (CR) 3628 which makes a slight revision to the language in the Centers for Medicare & Medicaid Services (CMS) Manual System on payment for services provided under a contractual arrangement.

Background

The Medicare Claims Processing Manual (Pub. 100-04, Chapter 1 (General Billing Requirements), Section 30.2.7 (Payment for services provided under a contractual arrangement)) has been revised as a result of the language published in the November 15, 2004 Physician Fee Schedule final rule (CMS-1429F) concerning section 952 of the Medicare Modernization Act (MMA). Instead of stating that the contractual arrangement between an entity and the other physician or provider should include pertinent Medicare program integrity safeguards, CMS is now stating that the entity and the physician or other person are subject to those program integrity safeguards per the following:

- The entity receiving payment and the physician or other person that furnished the service are both subject to the following program integrity safeguard requirements:
  - The entity receiving payment and the person that furnished the service are jointly and severally responsible for any Medicare overpayment to that entity; and,
  - The person furnishing the services has unrestricted access to claims submitted by an entity for services provided by that person.

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The entity billing and receiving payment and the person reassigning his or her billing and payment rights are both responsible for compliance with the Medicare program integrity safeguards beginning on January 1, 2005 (the effective date of CMS-1429-F).

Also, a Medicare carrier may make payment to an entity (i.e., a person, group, or facility enrolled in the Medicare program) that submits a claim for services provided by a physician or other person under a contractual arrangement with that entity, regardless of where the service is furnished. Thus, the service may be furnished on or off the premises of the entity submitting the bill and receiving payment (excluding billing agents).

Additional Information

For complete details, please see the official instruction issued to your carrier/intermediary regarding this change. That instruction may be viewed at http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R472CP.pdf on the CMS website.

If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.

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