

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



REVISED products from the Medicare Learning Network® (MLN)

- [“ICD-10-CM/PCS Myths and Facts,”](#) Fact Sheet, ICN 902143, Downloadable only.

MLN Matters® Number: MM8321 **Revised**

Related Change Request (CR) #: 8321

Related CR Release Date: August 15, 2013

Effective Date: January 1, 2013

Related CR Transmittal #: R1283OTN

Implementation Date: August 16, 2013

Multi-Carrier (MCS) Modifications to Liability Assignment Regarding Therapy Cap Claim Denials

Note: This article was revised on August 16, 2013, to reflect the revised CR8321, issued on August 15. In the article, the CR release date, transmittal number, and the Web address for accessing CR8321 were revised. Also, the implementation date was revised. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for physicians, therapists, and other providers submitting professional claims to Medicare Carriers or Medicare Administrative Contractors (MACs) for therapy services.

What You Need to Know

Section 603(c) of the American Taxpayer Relief Act of 2012 (ATRA) revised the payment liability for therapy limit denials. The law changes these denials from beneficiary liability to provider liability.

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effective January 1, 2013. As a result, when Medicare denies professional claims with Dates of Service (DOS) on or after January 1, 2013, that exceed the therapy caps and do not contain the GA modifier, the claims will be denied with a Group code of CO (contractual obligation), instead of Group Code PR (patient responsibility). The assignment of the PR code will still occur for such claims denied that contain a DOS prior to January 1, 2013.

It is important to note that Medicare will not adjust claims with a DOS on or after January 1, 2013, that were denied with the incorrect Group Code of PR prior to the implementation of CR8321. However, Medicare does require providers to refund any payments collected from beneficiaries that are associated with such denied claims and to take steps to avoid further collections from such beneficiaries based on the incorrect assigned liability on those denied claims.

Additional Information

The official instruction, Change Request (CR) 8321 issued to your Medicare contractor regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1283OTN.pdf> on the CMS website.

If you have any questions, please contact your Medicare Carrier or A/B MAC 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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