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**Note:** This article was updated on January 25, 2019, to update the link to the COB crossover insurers on page 2. That link is <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/ProviderServices/index.html>. All other information remains unchanged.

## **Important Information Regarding the Centers for Medicare & Medicaid Services (CMS) National Claims Crossover Process**

### **Provider Types Affected**

All Medicare physicians, providers, and suppliers

### **Provider Action Needed**

Physicians, providers, and suppliers should note that this special edition article is to request that they allow sufficient time for the Medicare crossover process before attempting to balance bill their patients' supplemental insurers and payers for amounts remaining after Medicare's payment determination on their submitted claims.

### **Background**

The Centers for Medicare & Medicaid Services (CMS) consolidated the "automatic" or eligibility file-based crossover process under the Medicare Benefits Coordination and Recovery Center (BCRC), formerly known as the Coordination of Benefits Contractor (COBC), as of September 2006. Under the "automatic" crossover process, other supplemental insurers, including Medicaid agencies, sign a standard national Coordination of Benefits Agreement (COBA) with the CMS contractor, the BCRC. They then submit enrollment information via a standard eligibility file feed through a secure connection with the BCRC. Within this eligibility feed, the supplemental insurers identify their covered members or policy/ certificate holders for Medicare claim matching purposes. The BCRC, in turn, transmits this information to the CMS Common Working File (CWF). After the CMS CWF system tags individual claims for crossover to a designated insurer, it then prompts the Medicare contractor to send the adjudicated claims to the BCRC for crossover purposes once the claims have met their payment floor requirements, as prescribed by CMS.

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The CMS consolidated the Medigap claim-based crossover process under the BCRC in October 2007. Under this process, the BCRC assigns to a Medigap plan a 5-digit Medigap claim-based COBA ID (range 55000 through 59999) to ensure that if participating Part B physicians or suppliers enter that value on incoming paper CMS-1500 claim forms or 837 professional claims, the Medicare contractor will be able to transfer the claims to the BCRC for crossover to that specific Medigap plan.

**IMPORTANT:** Virtually all Medigap insurers participate in the automatic or eligibility file-based crossover process. Approximately ten or eleven Medigap plans avail themselves of the less commonly used Medigap claim-based crossover process, which cannot be used in association with Part A 837 institutional claims (including inpatient, outpatient, home health, and hospice related types of bills) or with claims for which the physician or supplier is non-participating with Medicare. These insurers, some of whom also participate in part in the automatic crossover process, may be referenced at <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/ProviderServices/index.html>.

## Situations Where Balance Billing of Supplemental Insurers Is Justified

### Situation 1: Claim Data Errors Encountered

Approximately 98 percent of all claims that Medicare indicates crossed-over, as annotated on its generated 835 electronic remittance advice (ERA) and standard paper remittance advice (SPR), actually were successfully transmitted to supplemental insurers. For the remaining two (2) percent of cases, the physician, provider, or supplier's claims fail Health Insurance Portability and Accountability Act (HIPAA) compliance within the BCRC's code validation routine. In addition, due to Medicare's shared claims processing systems problems, Medicare contractors occasionally transmit structurally unusable claims to the BCRC. Such claims are rejected back to the Medicare contractor within 24 hours of receipt. Finally, the BCRC may, in some instances, successfully transmit claims to various supplemental insurers only to have them rejected due to issues such as national provider identifier (NPI) mismatch (dispute error code 200), claims selection criteria problems (dispute error code 600), and less frequently HIPAA compliance matters (dispute error code 700).

When the BCRC rejects claims back to the Medicare contractors, they issue special correspondence letters (sent to your Medicare on-file "correspondence" address) to your organization within five (5) business days from BCRC's rejection action. The special letters indicate the affected claims, including Health Insurance Claim Number (HICN) and associated internal control number (ICN)/document control number (DCN), along with an error code and error description specifying why the BCRC could not cross-over the affected claims. This same procedure occurs when insurers reject claims, typically several days later through a dispute process with the BCRC, with the exception that standard verbiage is carried on the special letter indicating that the affected claim(s) was/were rejected by the supplemental insurer and an associated dispute error code

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appears (e.g., 200, 600, 700). When providers receive such notifications, they should then attempt to bill the supplemental insurer or benefit program, given that Medicare was unable to cross-over the affected claim(s) successfully.

### **Situation 2: Patient’s Insurer Not Part of Crossover Process**

If you can clearly determine that your patient’s insurer cannot or will not voluntarily participate in the CMS national crossover process, you are, of course, within your rights to balance bill your patient’s supplemental insurer.

## **A Special Note Regarding Claim Repair Processes**

When a Medicare contractor’s volume of HIPAA compliance rejections equals or exceeds four (4) percent of all claims that the affected Medicare contractor transmitted to the BCRC for a given day, **or** if entire envelopes of claims fail structural editing at the BCRC, that Medicare contractor is instructed by CMS to go into “claim repair mode.” That is, the Medicare contractor is to do the following:

- Determine how long it will take, working through its shared claims processing system maintainer, to effectuate a correction of the errored claims; and
- Subject to concurrence from CMS, initiate a claim repair for all claims with a given error condition. Typically, most repairs are accomplished within 10 to 15 business days from the date when the BCRC rejected the claims.

**IMPORTANT:** At CMS direction, most Medicare contractors, including Medicare Administrative Contractors (MACs), will alert you to such situations in the interests of ensuring that you do **not** balance bill your affected patients’ supplemental insurers or benefit programs. In the majority of instances, Medicare contractors will issue the special correspondence letters, which have been held within the system, if they have determined through consultation with CMS that a claims repair cannot be accomplished. You may also receive additional information about the abandonment of a claims repair process via the affected Medicare contractors’ provider website.

## **Requested Physician, Provider, and Supplier Action**

Recently, CMS has received a growing number of complaints from supplemental insurers about their receipt of paper SPRs or printed 835 ERAs that physician, provider, and supplier billing vendors are generating well in advance of their receipt of the CMS “official” Medicare crossover claims. Consequently, these supplemental insurers are in receipt of duplicate claim pairings—one generated on paper by the provider and another, the “official” crossover claim, generated from the BCRC.

**Since payment from supplemental insurers should, as a rule, occur only after the Medicare payment has been issued, CMS requests that you do not bill your patients’ supplemental insurers for a minimum of 15 work days after receiving the Medicare payment.**

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This should allow sufficient time for any potential CMS-approved Medicare claims recovery situations should they need to occur and for the supplemental insurer to take actions necessary to issue payment determination following its receipt of a Medicare crossover claim. Additionally, CMS requests that physicians, providers, and suppliers take the following actions before balance billing their patients' supplemental insurers:

- Check the following CMS website for verification that your patient's supplemental insurer is participating in the automatic crossover process nationally with the CMS BCRC: <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/ProviderServices/Downloads/COBA-Trading-Partners-January-31-2015.pdf>. **Note:** As verified by the spreadsheet's header, this document is a listing of all participants in the Medicare automatic crossover process. It is not just a listing of beneficiary and provider contact information for each insurer indicated.
- Prior to submitting a claim to a supplemental payer/insurer, you should utilize available self-service tools to research the status of your supplemental payment (e.g., the supplemental insurer's website, or claims automated "hot line," as applicable).

In addition, as a reminder, only the "official" Medicare remittance advice or HIPAA 835 ERA should be used for supplemental billing purposes. CMS requests that copies of screen prints from any system that is used to access Medicare claim status **not** be submitted to a supplemental payer/insurer for billing purposes even if:

- You are billing the supplemental payer/insurer after the 15 work days from the Medicare-issued payment have expired; and
- You have used the available self-service tools to confirm the status of your supplemental payment.

### Additional Information

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You may also want to review MLN Matters® article MM5601 (Transitioning the Mandatory, Medigap ("Claim-Based") Crossover Process to the Coordination of Benefits Contractor (BCRC) (formerly known as the Coordination of Benefits Contractor (COBC)) at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5601.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

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April 17, 2014	This article was updated to show that the COBC is now known as the BCRC.
April 27, 2009	Initial article post

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