
Program Memorandum Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal A-00-50

Date: AUGUST 10, 2000

CHANGE REQUEST 1272

**SUBJECT: Department of Veterans Affairs (VA) Claims Adjudication Services Project:
Systems Changes Needed**

This Program Memorandum (PM) delineates systems changes needed for the above project. In general, the following systems are involved:

1. Standard: EDS/MCS and FISS;
2. CWF; and
3. Trailblazers (the contractor working with the VA).

Other contractor systems are unaffected at this time.

Background

Current law permits the VA to collect appropriate Medicare coinsurance and deductible amounts from third-party insurers for claims for supplies and services ordinarily covered by Medicare but furnished

1. At VA facilities; and
2. For veterans eligible to receive Medicare benefits and having the third-party insurance.

To facilitate this process, HCFA entered into an interagency agreement with the VA whereby HCFA will help the VA work with a HCFA contractor to adjudicate these claims to produce a remittance advice equivalent to that ordinarily produced for Medicare claims. The remittance advice, sent to the third-party insurers, will help the insurers determine payment amounts they owe to the VA. HCFA will not pay these claims. Trailblazers was the contractor selected to perform the work.

Systems Changes Needed

In 1997, work was completed on the various systems to process the equivalent of Part A hospital inpatient and Part B physician claims for the VA. However, since that time, additional changes were identified.

Adding a Message to the Remittance Advice

FISS: To clarify that HCFA has made no payment on the VA claim, the remittance advice will include the following message:

MA118 Coinsurance and/or deductible amounts apply to a claim for services or supplies furnished to a Medicare-eligible veteran through a facility of the Department of Veterans Affairs. No Medicare payment issued.

HCFA-Pub. 60A

Existing claim adjustment reason codes 1 (deductible) and/or 2 (coinsurance) will be used to report those amounts on these remittance advice transactions.

The *effective date* for this PM is August 1, 2000.

The *implementation date* for this PM is January 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after August 1, 2001.

If you have any questions, contact Claudette Sikora, CHPP/PBEG/DPCP, (410)786-5618.