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# Program Memorandum Carriers

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

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Transmittal B-01-21

Date: MARCH 30, 2001

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## CHANGE REQUEST 1621

**SUBJECT: Durable Medical Equipment Regional Carrier (DMERC) Systems Requirements to Implement §114 of BIPA (Additional Requirements for Change Request (CR) 1562, Transmittal B-01-15)**

This Program Memorandum (PM) corrects CR 1562 (Transmittal B-01-15, dated February 16, 2001). New requirements in this PM only supercede conflicting requirements in CR 1562. All other requirements mandated by CR 1562 remain the same.

For supplier-submitted unassigned drug claims, the system will split the claims; for beneficiary-submitted drug claims, the system will replicate claims. The system will split or replicate claims only when the claim contains both a drug or drugs and another item or items that are not assigned.

If the DMERC knows that the beneficiary already paid the supplier on an unassigned claim, payment may be made directly to the beneficiary.

The requirements in this PM, as well as those contained in CR 1562, apply to drugs and biologicals a durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) supplier, or a beneficiary claiming payment under the DMEPOS benefit, submit to a DMERC. The requirements apply regardless of whether or not the supplier has a valid National Supplier Clearinghouse (NSC) number.

### **Mandatory Assignment Section**

Add: DMERCs may add informational messages to the MSNs and/or the paper REMITs notifying beneficiaries and suppliers that licensed suppliers must submit drug claims on an assigned basis for the beneficiary. DMERCs must add these messages as soon as possible, and may discontinue printing them as of December 31, 2001. For educational purposes, DMERCs may use these messages for all claims, not just those claims that contain drug codes.

DMERC suggested informational message for the MSN is: Effective February 1, 2001 only suppliers may submit claims for drugs to Medicare. Beginning July 1, 2001, all claims submitted by beneficiaries for drugs provided on or after February 1, 2001 will be denied.

Suggested informational message for the Remit is: Effective February 1, 2001 only suppliers may submit claims for drugs to Medicare. Claims must be submitted on an assigned basis. Beginning July 1, 2001, beneficiary submitted claims will be denied.

These informational messages are for all claims and may be used as an educational tool.

### **Beneficiary Submitted Claims Section**

If both drug and non-drug services are on one beneficiary submitted claim, the claim will be replicated.

Delete MSN messages 16.34 and 16.36.

Add New MSN 34.9 for use at the claim level. Use this message for drug claims only.

**HCFA-Pub. 60B**

English: “If you already paid the supplier/provider, the supplier/provider must refund any amount that exceeds the Medicare payment amount.” Use with beneficiary-submitted claims.

Spanish: “Si usted ya pagó a el suplidor/proveedor, el suplidor/proveedor debe devolver cualquier cantidad que exceda la cantidad del pago de Medicare.”

MSN 16.6 - Use with all unassigned and beneficiary-submitted claims. Use this message for drug claims only.

MSN 16.7 - Use with all beneficiary-submitted claims. Use this message for drug claims only.

### **Supplier-Submitted Unassigned Claim Section**

Change the word “replicate” to “split” claims for supplier-submitted claims. This relates to claims that come in with both assigned and unassigned items on the claim.

### **The Non-Licensed Pharmacy Initiative Section**

Change the word “replicate” to “split” for supplier-submitted claims. This relates to claims that come in with both assigned and unassigned items on the claim.

**The effective date for this PM is February 1, 2001.**

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

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after July 1, 2002.**

**If you have any questions, contact Renée Hildt at (410) 786-1446.**