CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1136	Date: DECEMBER 22, 2006
	Change Request 5386

SUBJECT: Revisions to Procedure to Establish Good Cause and Qualified Independent Contractor Jurisdictions

I. SUMMARY OF CHANGES: The instructions in this CR update the qualified independent contractors jurisdictions, and instruct the contractors to perform a redetermination, rather than a reopening, once good cause is established and the contractor proceeds to vacate the dismissal.

NEW/REVISED MATERIAL
EFFECTIVE DATE: JANUARY 1, 2007
IMPLEMENTATION DATE: APRIL 2, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	29/240.2/General Procedure to Establish Good Cause
R	29/310.6.1/Appeals Rights for Dismissals
R	29/310.6.2/Vacating a Dismissal
R	29/320.7/QIC Jurisdictions

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

Unless otherwise specified, the effective date is the date of service.

Attachment - Business Requirements

Pub. 100-04	Transmittal: 1136	Date: December 22, 2006	Change Request: 5386

SUBJECT: Revisions to Procedures to Establish Good Cause and Qualified Independent Contractor Jurisdictions

Effective Date: January 1, 2007

Implementation Date: April 2, 2007

I. GENERAL INFORMATION

A. Background: The instructions in this CR update the qualified independent contractors (QICs) jurisdictions, and instruct the contractors to perform a redetermination, rather than a reopening, once good cause is established and the contractor proceeds to vacate the dismissal.

B. Policy: The purpose of this CR is to notify FIs and carriers about a change in sections 240.2, 310.6.1, and 310.6.2 of the IOM, Pub. 100.04. This CR also revises the Part B QIC jurisdictions and the durable medical equipment prosthetics, orthotics, and supplies (DMEPOS) jurisdiction. Refer to section 320.7.

II. BUSINESS REQUIREMENTS

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DME RC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
5386.1	A contractor shall perform a redetermination once good cause is established and the contractor proceeds to vacate the dismissal.	X	X	X	X	X						
5386.2	Contractors shall enter into a Joint Operating Agreement (JOA) with the appropriate QIC.	X	X	X	X	X						
5386.3	A contractor shall comply with the appropriate JOA.	X	X	X	X	X						
5386.4	A contractor shall refer the appellant to the QIC with jurisdiction in the redetermination letter.	X	X	X	X	X						

III. PROVIDER EDUCATION

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
5386.5	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X	X	X	X					

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
CR 4019	

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s): Cyqwenthia Boyd (410) 786-5875

Post-Implementation Contact(s): Maria Ramirez (410) 786-1122

VI. FUNDING

A. *For TITLE XVIII Contractors,* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. *For Medicare Administrative Contractors (MAC),* use only one of the following statements:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. We do not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

240.2 - General Procedure to Establish Good Cause

(Rev.1136, Issued: 12-22-06, Effective: 01-01-07, Implementation: 04-02-07)

A. Establishing Good Cause for Beneficiaries When Insufficient or No Explanation or Evidence Was Submitted

If the appellant is a beneficiary, and there is insufficient or no explanation for the delay or no other evidence that establishes the reason for late filing, the contractor dismisses the redetermination request. The contractor explains in the dismissal letter that the beneficiary can request that the contractor vacate the dismissal by providing an explanation for the late filing to the contractor within 6 months of the dismissal of the redetermination request. If an explanation or other evidence is submitted within 6 months from the dismissal that contains sufficient evidence or other documentation that supports a finding of good cause for late filing, the contractor (as applicable) makes a favorable good cause determination. Once it makes a favorable good cause determination, it considers the appeal to be timely filed and proceeds to vacate its prior dismissal and performs a *redetermination*.

For the purposes of counting workload in Contractor Reporting of Operational Workload Data (CROWD), this action should be counted as a redetermination and not a reopening.

If the contractor does not find good cause, the dismissal remains in effect. The contractor issues a letter explaining that good cause has not been established and the dismissal cannot be vacated. Although the appellant may not appeal a contractor's finding that good cause was not established when the appellant requested that the contractor vacate its dismissal, the appellant maintains their right to request a reconsideration of the dismissal by a QIC.

B. Establishing Good Cause for Providers, Physicians or Other Suppliers When Insufficient Evidence/Documentation was Submitted

When a provider, physician, or other supplier has failed to establish that good cause for late filing of an appeal request exists, the contractor dismisses the appeal request as untimely filed. It explains in the dismissal letter that if the provider, physician, or other supplier can provide additional evidence or documentation that good cause for late filing exists, and that the evidence must be submitted within 6 months from the date of the notice of dismissal.

If the provider, physician, or other supplier submits evidence to the contractor within 6 months of its dismissal that supports a finding of good cause for late filing, the contractor makes a favorable good cause determination. However, for late filings of providers, physicians or other suppliers, it should not routinely find good cause. If the contractor makes a favorable good cause determination, it must consider the appeal to be timely filed. *The contractor vacates its prior dismissal and issues a redetermination.*

For the purposes of counting workload in CROWD, this action should be counted as a redetermination and not a reopening.

If the contractor does not find good cause, the dismissal remains in effect. *The contractor issues a letter explaining that good cause has not been established and the dismissal*

cannot be vacated. Although the appellant may not appeal a contractor's finding that good cause was not established when the appellant requested that the contractor vacate its dismissal, the appellant maintains their right to request a reconsideration of the dismissal by a QIC.

The closed date is the date of the dismissal, and the dismissal is reported on the Appeals Report (Form CMS-2590, CMS-2591*, and CMS-2592 as appropiate*).

310.6.1 - Appeal Rights for Dismissals

(Rev.1136, Issued: 12-22-06, Effective: 01-01-07, Implementation: 04-02-07)

Parties to the redetermination have the right to appeal a dismissal of a redetermination request to a QIC if they believe the dismissal is incorrect. The reconsideration request must be filed at the QIC within **60 days** of the date of the dismissal. When the QIC performs its reconsideration of the dismissal, it will decide if the dismissal was correct. If it determines that the contractor incorrectly dismissed the redetermination, it will vacate the dismissal and remand the case to the contractor for a *redetermination*. It is mandatory for the contractor to reopen any case that is remanded to it and issue a new decision. The new decision is counted in CROWD on the 2590, 2591 and 2592 *as appropiate* as a "*redetermination* ". A QIC's reconsideration of a contractor's dismissal of a redetermination request is final and not subject to any further review.

310.6.2 - Vacating a Dismissal

(Rev.1136, Issued: 12-22-06, Effective: 01-01-07, Implementation: 04-02-07)

A party to the redetermination may also request the contractor to vacate its dismissal within 6 months of the date of the mailing of the dismissal notice if good and sufficient cause is established. The contractor determines if there is good and sufficient cause and if there is, the contractor *vacates its prior* dismissal and issues a *redetermination*. For the purposes of counting workload in CROWD, this action should be counted as a redetermination and not a reopening.

320.7 – QIC Jurisdictions

(Rev.1136, Issued: 12-22-06, Effective: 01-01-07, Implementation: 04-02-07)

A. FI QIC Jurisdictions

The FI QIC jurisdictions are as follows:

Jurisdiction	Normal States	Exceptions
East QIC jurisdiction (Maximus)	Colorado, New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Florida, Tennessee, South Carolina, North Carolina, Virginia, West Virginia, Puerto Rico, Virgin Islands, Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New Jersey, New York, Delaware, Maryland, Pennsylvania, Washington DC and Mutual of Omaha claims were the service was rendered in one of the above listed states.	**Chain Providers (including ESRD)**- the state where the FI processes the claim. For Mutual of Omaha claims, the jurisdiction continues to be the state were the service was rendered. **Indian Health Services Nationwide**- processed by TrailBlazers **Foreign claims**- Eastern Mexico (processed by Trailblazer), Canadian Provinces of New Burnswick, Newfoundland, Nova Scotia, Quebec, and Prince Edward Island (processed by AHS) **Rural Health Clinics Nationwide**- processed by Anthem, Highmark, TrailBlazer, and Riverbend **Federal Qualified Health Centers**- in accordance with normal jurisdiction (processed by UGS)
West QIC jurisdiction (First Coast Service Options)	Washington, Idaho, Montana, North Dakota, South Dakota, Iowa, Missouri, Kansas, Nebraska, Wyoming, Utah, Arizona, Nevada, California, Alaska, Hawaii, Oregon, Kentucky, Ohio, Indiana, Illinois, Minnesota, Michigan, Wisconsin, Guam, Northern Mariana Islands, American Samoa, and Mutual of Omaha claims were the service was rendered in one of the	**Chain Providers (including ESRD)**- the state where the FI processes the claim. For Mutual of Omaha claims, the jurisdiction continues to be the state were the service was rendered. **Foreign claims**- Western Mexico (processed by NHIC), Canadian Provinces of Ontario (processed by UGS) Saskatchewan, Alberta Manitoba (processed by BC of Montana), British Columbia, Vancouver, and Yukon Territories (processed by Noridian). **Federal Qualified Health Centers**- in accordance with normal jurisdiction (processed by UGS)

	above listed states.	

B. Carrier and DMERC QIC Jurisdictions

*One QIC processes all reconsiderations of DME claims. There are two QIC jurisdictions for Part B claims processed by carriers, a **North** and a **South** jurisdiction. Please refer to the table below.*

Part B QIC Jurisdictions
South: *Colorado, Connecticut, New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, Alabama, Georgia, Florida, North Carolina, South Carolina, Virginia, West Virginia, Puerto Rico, Virgin Islands.* *Note: Railroad Retirement Board reconsiderations are also included in this workload jurisdiction.*
North: *Alaska, Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, District of Columbia, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Kentucky, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Iowa, Kansas, Nebraska, South Dakota, North Dakota, Wyoming, Montana, Idaho, Washington, Oregon, California, Nevada, Arizona, Utah, Hawaii, Guam, Northern Mariana Islands, American Samoa.*