
CMS Manual System

Pub. 100-19 Demonstrations

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 11

Date: December 10, 2004

CHANGE REQUEST 3594

SUBJECT: Medicare Coordinated Care Demonstration (MCCD) – Override of certain Medicare Secondary Payer Edit Codes

I. SUMMARY OF CHANGES: This change will enable the demonstration carrier, NHIC, to allow payment of demonstration related claims for beneficiaries who are enrolled in the demonstration under an active Notice of Election but who, subsequent to being enrolled in the demonstration, get assigned a “Medicare Secondary Payer” segment on their eligibility record. This change will only affect claims billed by demonstration providers for demonstration services. No other Medicare providers or services/ claims shall be affected. Once these claims are paid in accordance with demonstration rules, these claims shall be sent to the national claims history file.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: May 1, 2002 (earliest demonstration Claims date)

IMPLEMENTATION DATE: April 4, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)
(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

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

Attachment - Business Requirements

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SUBJECT: Medicare Coordinated Care Demonstration (MCCD) – Override of certain Medicare Secondary Payer Edit Codes

I. GENERAL INFORMATION

- A. Background:** The MCCD was mandated under section 4016 of the Balanced Budget Act (BBA) of 1997. Demonstration sites began providing services in May, 2002. In order to be enrolled in the demonstration, a Notice of Election (NOE) must be submitted by the demonstration site to the fiscal intermediary and accepted by the Common Working File (CWF) according to the eligibility rules established for the demonstration. (Prior related change requests detail these requirements.) One of the eligibility requirements for participation is that Medicare must be the beneficiary’s primary insurance. Beneficiaries with any open “Medicare Secondary Payer” (MSP) segment are not eligible to enroll.

Subsequent to implementation, a problem was identified whereby a small number of beneficiaries who were legitimately enrolled in the demonstration later had MSP segments opened up for them. This prevented demonstration claims from being paid by the demonstration carrier, National Heritage Insurance Company (NHIC – California). In most cases, these MSP segments related to auto/other liability or retroactive workers compensation cases. In all cases reviewed to date, these situations have been unrelated to the coordinated care services being provided under the demonstration. In order to allow these beneficiaries to remain in the demonstration and compensate the demonstration providers for providing demonstration related services, these claims have had to be processed manually, outside the standard claims processing system. This results in additional work for the demonstration carrier and prevents the claims from going to the National Claims History File, thereby limiting the claims data available for the evaluation.

- B. Policy:** Claims for beneficiaries with active notices of election but who subsequently get MSP segments set up for workers compensation, auto no-fault, or other liability should be paid. Edits for these types of MSP segments should be bypassed. These claims should be paid to the same extent as they would have under the demonstration if there had been no MSP indicator present. These claims should also be sent to the National Claims History file. These edits should not be bypassed for non demonstration providers or other covered Medicare services.

- C. Provider Education:** No provider education activities are required.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (place an “X” in the columns that apply)
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		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3594.1	CWF shall bypass the 6812 error code when processing payment for Medicare Coordinated Care Demonstration (demo code 37) claims when the type of MSP code equals any of the following: E- Workers Compensation D- Auto No-Fault L- Liability								X	
3594.2	All other demonstration processing requirements as specified in prior demonstration related transmittals shall remain in effect.								X	

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: May 1, 2002</p> <p>Implementation Date: April 4, 2005</p> <p>Pre-Implementation Contact(s): Jody Blatt (410-786-6921)</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
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Post-Implementation Contact(s): Jody Blatt	
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