

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1213	Date: May 3, 2013
	Change Request 8198

SUBJECT: Updating the Shared Systems and Common Working File (CWF) to no Longer Create Veteran Affairs (VA) ‘T’ records in the Medicare Secondary Payer (MSP) Auxiliary File

I. SUMMARY OF CHANGES: On November 18, 2011, the Centers for Medicare and Medicaid Services (CMS) released Technical Direction Letter #12002, Clarification to Procedures Related to the Department of Veterans Affairs (VA). This communication advised Medicare contractors to no longer accept VA information entered on claims as the basis for assuming that Medicare should pay secondary. The Coordination of Benefits Contractor (COBC) also disabled the creation of VA Medicare Secondary Payer (MSP) records when an action to create such records was requested via the Electronic Correspondence Referral System (ECRS). The CMS took these actions based on the following language found in §1862(a) (3) of the Social Security Act (the Act): Medicare is precluded from making payment for services or items that are paid for directly or indirectly by another government entity. VA claims, therefore, represents a Medicare program exclusion rather than an indication of MSP.

Recently, some Medicare contractors created MSP VA records using the ‘T’ records process. Since VA claims represent a Medicare program exclusion under the MSP provisions, this practice of generating ‘T’ records to create VA MSP records within the Health Insurance Master Record (HIMR) must cease. This CR instructs Medicare Contractors, Common Working File, and the shared system maintainers to discontinue the creation of VA MSP records through the ‘T’ records process.

EFFECTIVE DATE: October 1, 2013

IMPLEMENTATION DATE: October 7, 2013

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-Only One Per Row.

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

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets.

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted 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.

IV. ATTACHMENTS:

One Time Notification

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

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1213	Date: May 3, 2013	Change Request: 8198
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SUBJECT: Updating the Shared Systems and Common Working File (CWF) to no Longer Create Veteran Affairs (VA) “I” records in the Medicare Secondary Payer (MSP) Auxiliary File

EFFECTIVE DATE: October 1, 2013
IMPLEMENTATION DATE: October 7, 2013

I. GENERAL INFORMATION

A. Background: On November 18, 2011, the Centers for Medicare and Medicaid Services (CMS) released Technical Direction Letter #12002, Clarification to Procedures Related to the Department of Veterans Affairs (VA). This communication advised Medicare contractors to no longer accept VA information entered on claims as the basis for assuming that Medicare should pay secondary. The Coordination of Benefits Contractor (COBC) also disabled the creation of VA Medicare Secondary Payer (MSP) records when an action to create such records was requested via the Electronic Correspondence Referral System (ECRS). The CMS took these actions based on the following language found in §1862(a) (3) of the Social Security Act (the Act): Medicare is precluded from making payment for services or items that are paid for directly or indirectly by another government entity. VA claims, therefore, represents a Medicare program exclusion rather than an indication of MSP.

Recently, some Medicare contractors created MSP VA records using the “I” records process. Since VA claims represent a Medicare program exclusion under the MSP provisions, this practice of generating “I” records to create VA MSP records within the Health Insurance Master Record (HIMR) must cease. This CR instructs Medicare Contractors, Common Working File, and the shared system maintainers to discontinue the creation of VA MSP records through the “I” records process.

B. Policy: §1862(a) (3) of the Social Security Act (the Act) states that Medicare is precluded from making payment for services or items that are paid for directly or indirectly by another government entity. VA claims, therefore, represent a statutory exclusion under Medicare rather than an indication of MSP. VA MSP records shall not be created in CWF.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility										
		A/B MAC		D M E	F I	C A R R I E R	R H I	Shared- System Maintainers				Other
		P a r t A	P a r t B					F I S S	M C S	V M S	C W F	
8198.1	Medicare Contractors shall stop creating VA MSP records (alpha “I” or numeric 42) through the “I” records process.	X	X	X	X	X	X					
8198.2	The shared system maintainers shall implement a front end edit to prevent Medicare Contractors from creating							X		X		

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				Other
		P a r t A	P a r t B					F I S S	M C S	V M S	C W F	
	VA MSP records (alpha "T" or numeric 42) through the "T" records process.											
8198.3	CWF shall create an edit to prevent "T" records from being created when an MSP numeric code 42 or alpha code "T" is sent to the MSP Auxiliary File in CWF.										X	
8198.4	CWF shall return SP error ## (defined as "invalid MSP "I" record attempt) to Medicare Contractors when an attempt is made to create a VA MSP record (alpha "T" or numeric 42) in the CWF MSP auxiliary file										X	
8198.4.1	Medicare Contractors and shared systems shall accept the new SP error ##.	X	X	X	X	X	X			X		
8198.5	The COB Systems Contractor shall delete any existing VA MSP records that exist on the CWF MSP auxiliary file.										COB SC	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Other
		P a r t A	P a r t B					
	None							

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Richard Mazur, 410-786-1418 or Richard.Mazur2@cms.hhs.gov, Erica Watkins, 410-786-2805 or Erica.Watkins@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets.

Section B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted 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.