

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1265	Date: JUNE 12, 2007
	Change Request 5603

NOTE: The Transmittal 1253, dated May 25, 2007 is being rescinded and replaced by Transmittal 1265, dated June 12, 2007. The phrase, "and incorporated into any educational event on this topic," is deleted from business requirement 5603.3. All other information remains the same.

SUBJECT: Quarterly Update to Medically Unlikely Edits (MUEs), Version 1.2, Effective July 1, 2007

I. SUMMARY OF CHANGES: This is the normal quarterly update to the MUEs.

NEW / REVISED MATERIAL

EFFECTIVE DATE: JULY 1, 2007

IMPLEMENTATION DATE: JULY 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/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

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:

Recurring Update Notification

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1265	Date: June 12, 2007	Change Request 5603
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NOTE: The Transmittal 1253, dated May 25, 2007 is being rescinded and replaced by Transmittal 1265, dated June 12, 2007. The phrase, “and incorporated into any educational event on this topic,” is deleted from business requirement 5603.3. All other information remains the same.

SUBJECT: Quarterly Update to Medically Unlikely Edits (MUEs), Version 1.2, Effective July 1, 2007

EFFECTIVE DATE: July 1, 2007

IMPLEMENTATION DATE: July 2, 2007

I. GENERAL INFORMATION

The latest package of Medically Unlikely Edits (MUEs), Version 1.2, effective July 1, 2007, will be available for CMS contractors via the CMS Data Center (CDC). A test file will be available on or about May 2, 2007, and the final file will be available on or about May 17, 2007. The MUE adds, deletes, and changes lists will be available on or about May 25, 2007.

A. Background: To lower the Medicare fee-for-service paid claims error rate, CMS established units of service edits referred to below as MUEs. The National Correct Coding Initiative (NCCI) contractor maintains the MUEs. An MUE is defined as an edit that tests claim lines for the same beneficiary, Health Care Common Procedure Code System (HCPCS) code, date of service, and billing provider against a criteria number of units of service. Medicare Contractors (Carriers / MACs) will deny the entire claim line when the units of service are in excess of MUE criteria, for claims processed via the VMS and MCS systems. Fiscal intermediaries and A/B MACs will Return to Provider (RTP) claims with units of service that exceed MUE criteria and pay other services on the claims as part of the initial claims processing activities, for claims processed via the FISS system. The MUEs do not require that Medicare contractors perform manual review or suspend claims. The MUEs only apply to the services specifically listed in the table of MUEs; thus, all services will not have MUE associated with them.

This CR requires that Medicare contractors implement the appropriate set of MUEs developed for this particular quarter.

B. Policy: The NCCI contractor produces a table of MUEs. The table contains ASCII text and consists of five columns. (Refer to Appendix 1 – Tabular Presentation of the Format for the MUE Transmission. There are two format charts, one for the carriers and one for the fiscal intermediaries.) The first column contains HCPCS codes (5 positions). The second column of the first format chart (Appendix 1) contains the maximum units of service A/B MACs and Medicare carriers shall allow per day for the HCPCS code in

column one (2 positions with no decimal places). The second column of the second format chart (Appendix 1) contains the maximum units of service fiscal intermediaries (FIs) shall allow per day for the HCPCS code in column one (2 positions with no decimal places). The third column is the Corresponding Language Example Identification (CLEID) Number (12 positions including a decimal point). The CLEID information is for reference only. The fourth column states the beginning effective date for the edit (7 positions in YYYYDDD format), and the fifth column states the ending effective date of the edit (7 positions in YYYYDDD format). For example, April 1, 2007, is recorded as 2007091 meaning the 91st day of 2007. The last column will remain blank until an ending effective date is determined. CMS will distribute the MUEs as a separate file when the quarterly NCCI edits are distributed. See Attachment 1 for the layout in table format.

Specifically, the date of service, defined as the effective date of each MUE contained in the file CMS provides, will determine which claims MUEs will affect.

Further, CMS is setting MUEs to auto-deny the claim line item with units of service in excess of the criteria in column 2 of the MUE table for claims process using the MCS and the VMS standard systems. Claims processed using the FISS standard system will be RTP when claim line item units of service are in excess of the MUEs criteria. Chapter 3, section 5.1, of the Program Integrity Manual, indicates that automated review is acceptable for medically unlikely cases and apparent typographical errors.

II. BUSINESS REQUIREMENTS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D E M A C	F I I E R	C A R R I E R	D M R R C	R E H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F		
5603.1	<p>The filenames to access through the Network Data Mover (NDM) for the CMS contractors (carriers / MACs) and (fiscal intermediaries / A/B MACs) are:</p> <p>Test File:</p> <p>MU00.@BF12372.MUE.CARR.TEST01.V12</p> <p>MU00.@BF12372.MUE.FI.TEST01.V12</p>	X	X	X	X	X	X	X				

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R C	R E H I	Shared-System Maintainers				OTHER
		M A C	M A C					F I S S	M C S	V M S	C W F	
	Final File: MU00.@BF12372.MUE.CARR.FINAL01.V12 MU00.@BF12372.MUE.FI.FINAL01.V12											
5603.2	The MUE adds, deletes, and changes list will be forthcoming via electronic mail on or about May 25, 2007. Contractors shall receive this listing from the MUE RO representatives.	X	X	X	X	X	X					RO

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R C	R E H I	Shared-System Maintainers				OTHER
		M A C	M A C					F I S S	M C S	V M S	C W F	
5603.3	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	X	X	X	X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I 	C A R I E R	D M E R C	R H I	Shared-System Maintainers			
							F I S S	M C S	V M S	C W F	
	a listserv message within 1 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.										

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

X-Ref Requirement Number	Recommendations or other supporting information:
	None

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

V. CONTACTS

Pre-Implementation Contact(s): John Stewart (410) 786-1189
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VI. FUNDING

A. For TITLE XVIII Contractors

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)

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does 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.

Attachment

**APPENDIX 1
TABULAR PRESENTATION OF THE FORMAT FOR THE
MUE TRANSMISSION**

HCPCS CODE	MAXIMUM CARRIER UNITS	CLEID #	BEGINNING EFFECTIVE DATE	ENDING EFFECTIVE DATE
AAAAA	XX	AA.AAAAAAAAAAA	YYYYDDD	YYYYDDD
AAAAA	XX	AA.AAAAAAAAAAA	YYYYDDD	YYYYDDD
AAAAA	XX	AA.AAAAAAAAAAA	YYYYDDD	YYYYDDD
DEFINITIONS: A = ALPHANUMERIC CHARACTER X = NUMERIC CHARACTER YYYYXXX = JULIAN DATE				

HCPCS CODE	MAXIMUM FI UNITS	CLEID #	BEGINNING EFFECTIVE DATE	ENDING EFFECTIVE DATE
AAAAA	XX	AA.AAAAAAAAAAA	YYYYDDD	YYYYDDD
AAAAA	XX	AA.AAAAAAAAAAA	YYYYDDD	YYYYDDD
AAAAA	XX	AA.AAAAAAAAAAA	YYYYDDD	YYYYDDD
DEFINITIONS: A = ALPHANUMERIC CHARACTER X = NUMERIC CHARACTER YYYYXXX = JULIAN DATE				