

CMS Manual System

Pub 100-08 Medicare Program Integrity

Transmittal 130

Department of Health &
Human Services (DHHS)

Center for Medicare &
Medicaid Services (CMS)

Date: NOVEMBER 10, 2005
CHANGE REQUEST 4020

SUBJECT: Correction/Clarification of Chapter 11

I. SUMMARY OF CHANGES: This transmittal will provide clarification or correction to several sections of chapter 11, as a result of Change Request 3446

NEW/REVISED MATERIAL

EFFECTIVE DATE: October 1, 2005

IMPLEMENTATION DATE: December 12, 2005

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:

R = REVISED, N = NEW, D = DELETED

R/N/D	CHAPTER / SECTION / SUB SECTION / TITLE
R	11/11.1.1/MR Overview
R	11/11.1.3.2/Routine Review Workload and Cost (Activity Code 21002)
R	11/11.1.3.5/Policy Reconsideration/Revision Activities (Activity Code 21206)
R	11/11.1.3.7/New Policy Development Activities (Activity Code 21208)
R	11/11.1.3.8/Complex Probe Review Workload and Cost (Activity Code 21220)
R	11/11.1.3.9/Prepay Complex Review Workload and Cost (Activity Code 21221)
D	11/11.1.5.1/New Policy Development Activities (Activity Code 21208)

D	11/11.1.5.2/Policy Reconsideration/Revision Activities (Activity Code 21206)
D	11/11.1.7/Postpayment Claim Review Activities for MR Purposes
D	11/11.1.7.1/Routine Manual Postpayment Claims Review Workload and Cost (Activity Code 21030)
D	11/11.1.7.2/Complex Manual Provider - Specific Postpayment Claims Review Workload and Cost (Activity Code 21031)
D	11/11.1.7.3/Complex Manual Service - Specific Postpayment Claims Review Workload and Cost (Activity Code 21032)
D	11/11.1.7.4/Postpay Complex Manual Probe Sample Review (Activity Code 21205)
D	11/11.1.8/Program Safeguard Contractor (PSC) Support Activities (Activity Code 21100)
D	11/11.1.9/Reporting MR Savings in CROWD
D	11/11.1.10/Corporate Activities (Activity Code 21209)
D	11/11.1.11/Reporting MR Savings in CROWD
D	11/11.1.12/MIP CERT Support (Activity Code 21901)
R	11/11.2.1/Reporting LPET Workload and Cost Information and Documentation in CAFM II
D	11/11.2.2/Reporting LPET Workload and Cost Information and Documentation in CAFM II
R	11/11.2.2.2/Education Delivered to a Group of Providers Workload and Cost (Activity Code 24117)
D	11/11.2.3/CAFM II Reporting Instructions for LPET Activities
D	11/11.2.3.1/Analysis of Information to Identify Local Education Needs - Activity Code 24108
D	11/11.2.3.2/LPET Workload Management - Activity Code 24112
D	11/11.2.3.3/Provider Specific Education - Activity Code 24101
D	11/11.2.3.4/Comparative Billing Report (CBR) Education - Activity Code 24102
D	11/11.2.3.5/Education of Identified Service Specific Errors - Activity Code 24103
D	11/11.2.3.6/Comprehensive Educational Interventions - Activity Code 24113

D	11/11.2.3.7/Proactive Local Educational Meetings - Activity Code 24104
D	11/11.2.3.8/Frequently Asked Questions Regarding Local Education Issues - Activity Code 24106
D	11/11.2.3.9/Bulletin Articles/Advisories Regarding Local Education Issues - Activity Code 24107
D	11/11.2.3.10/Scripted Response Documents on Local Education Issues - Activity Code 24115

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

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SUBJECT: Correction/Clarification of Chapter 11

I. GENERAL INFORMATION

A. Background: This CR provides clarification to the extensive changes that CR 3446 made to chapter 11. Many of the sections of chapter were moved and renumbered, so the old sections needed to be deleted. Many of the activity codes have been retired and those sections needed to be removed.

B. Policy: Chapter 11 revisions make the chapter consistent with the Budget and Performance Requirements that have been issued.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H I	C a r r i e r	D E R I C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4020.1	The contractor shall utilize their targeted budget in its entirety on MR and LPET activities toward the prevention of waste and abuse to the Medicare program.	X	X	X	X					Full PSC
4020.2	The contractors shall include post payment claims denied due to no documentation received in workload 2 of activity code 21002.	X	X	X	X					
4020.3	The contractors shall report the total number of policies revised or retired in the month they are completed in Workload 1 of activity code 21206	X	X	X	X					
4020.4	The contractors shall report the number of IDE requests developed in Workload 3 of activity code 21208.	X	X	X	X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	None.									

IV. 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

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: October 1, 2005 Implementation Date: December 12, 2005</p> <p>Pre-Implementation Contact(s): Stacy Holdsworth, stacy.holdsworth@cms.hhs.gov; Debbie Skinner, debra.skinner@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Stacy Holdsworth, stacy.holdsworth@cms.hhs.gov; Debbie Skinner, debra.skinner@cms.hhs.gov</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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11.1.1 – MR Overview

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

This chapter of the PIM lists the requirements contractors must follow when allocating MR Costs, Savings and Workload to the MR activities in CAFM and CROWD. These requirements formerly appeared in MCM, Part 1, 4213; MIM, Part 1, 1213 and the MR Budget and Performance Requirements (BPRs). Contractors must allocate to the MR activity code in CAFM II only the workload and costs associated with MR tasks. Contractors must allocate to the MR line in CROWD only these savings that are generated by MR tasks. For example:

- If a nurse reviewer spends 90% of her time performing prepay complex medical review and 10% of her time performing appeals review at the request of the appeals unit, the contractor must allocate 90% of this nurse's salary/fringes to 21221 and the 10% to the appropriate appeals activity code.
- If a non-clinician medical reviewer spends 80% of his time performing Routine review and 20% of his time performing suspect duplicate reviews, the contractor must allocate 80% of this reviewer's salary/fringes to 21002 and the 20% to the appropriate claims processing activity code.
- If a nurse reviewer spends 70% of her time performing postpay complex review for the purpose of making a coverage determination on a provider who has been selected for targeted PCA review and 30% of her time performing reviews to support the claims processing unit, the contractor should report 70% to Postpay Complex Review 21222 and 30% to the appropriate claims processing activity code.

Refer to chapter 1, section 2 www.cms.gov/manuals/108_pim/pim83c01.asp#Sect2 of this manual for detailed overview of the MR Program. This chapter lists the requirements contractors must follow when allocating MR costs and workload to the MR activities in CAFM II. Contractors will be given a specified maximum budget for MR. Based on this budget the contractor is asked to develop a unique MR/LPET strategy within their jurisdiction that is consistent with the goal of reducing the error rate. *The contractor shall utilize their targeted budget in its entirety on MR and LPET activities toward the prevention of waste and abuse to the Medicare program.*

Joint Operating Agreements between Program Safeguard Contractors (PSC) and Affiliated Contractors (AC) should reflect proportionate allocation of tasks delineated to MR and LPET. When negotiating Joint Operating Agreements, the PSC should be cognizant of their task order.

11.1.3.2 - Routine Review Workload and Cost (Activity Code 21002)

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

Contractors shall report all costs associated with routine reviews in Activity Code 21002. Costs associated with collecting an overpayment shall not be reported to this activity code. In the workload section of CAFMII, Activity Code 21002, report the number of claims reviewed in Workload 1. Contractors shall report number of claims denied in whole or in part in Workload 2. *Include those post payment claims where no documentation was received in workload 2.* Report the number of providers subject to routine review in Workload 3. *(IOM Pub 100-8, ch.3 §3.4.5.)*

11.1.3.5 - Policy Reconsideration/Revision Activities (Activity Code 21206)

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

In an attempt to achieve jurisdictional consistency, multi-state contractors shall develop and revise local policies that apply to all their states. When reporting workload to CAFM II, the *contractor* shall report just one LCD, even if that policy varies slightly from state to state.

Report all costs associated with reconsiderations and revisions to LCD in CAFM II Activity Code 21206. Include reconsideration requests made as a result of IOM Pub.100-8 ch.13 §13.10. The cost of inputting the LCD into the Fu database shall also be reported here and not in activity code 24118 – Education delivered through electronic or paper media. *Report the total number of policies revised or retired in the month it became effective in Workload 1*. Report the number of policies revised that required notice or comment as Workload 2. Report the number of policies revised due to an outside request (e.g., beneficiary or provider request) in Workload 3.

11.1.3.7 - New Policy Development Activities (Activity Code 21208)

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

In an attempt to achieve jurisdictional consistency, multi-state contractors shall develop and revise local policies that apply to all their states. When reporting workload to CAFM II, the *contractor* shall report just one LCD, even if that policy varies slightly from state to state.

Report all costs associated with new LCD development activity in CAFM II Activity Code 21208. Include in this cost inputting the LCD into the Fu database, do not report this cost in activity code 24118 – Education delivered through paper or electronic media.

Report the number of new policies that were presented for comment as Workload 1. Report the number of new policies that were released for notice in the month that it became effective in Workload 2. Report the number of Investigational Device Exemption (IDE) requests reviewed in Workload 3.

11.1.3.8 - Complex Probe Review Workload and Costs (Activity Code 21220)

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

Report all costs associated with complex probe review in Activity Code 21220. In the workload section of CAFM II, Activity Code 21220, report the number of claims reviewed in Workload 1. Report the number of claims denied in whole or in part in Workload 2. Report the number of providers subject to complex probe review in Workload 3.

11.1.3.9 - Prepay Complex Review Workload and Cost (Activity Code 21221)

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

Report all costs associated with prepay complex review in Activity Code 21221. In the workload section of CAFM II, Activity Code 21221, report the number of claims reviewed in Workload 1. Report the number of claims denied in whole or in part in Workload 2. Report the number of providers subject to prepay complex review in Workload 3.

The DMERCs shall report the number of Advanced Determinations of Medicare Coverage accepted (IOM Pub.100-8, ch.5 §5.7) to miscellaneous code 21221/01.

11.2.1 - Reporting LPET Workload and Cost Information and Documentation in CAFM II

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

Workload information and associated workload cost information shall be maintained and documented on site by all contractors. Each site shall maintain records of its own workload information and associated workload cost information. Contractors shall be able to provide this information upon request from RO and/or CO. Site-specific workload and cost information should be reported in the remarks section of CAFM II. With RO consent, this information may be submitted by other means with an indication made in the remarks section of the CAFM II IER report.

The contractors' LPET workload records shall include workload information captured by the Interim Expenditure Report (IER). Only costs (direct, indirect, overhead) incurred in LPET activities are reported in CAFM II activity codes. *Analysis of the data to develop and deliver LPET interventions shall be reported in an associated LPET activity code.* Contractors are responsible for ensuring the accuracy of the information contained in CAFM II. The contractor shall alert the RO (for PSCs, the GTL, Co-GTL, and SME) to any software or hardware problems that hinder the contractor's ability to report accurate data on CAFM II.

Since LPET is related to medical review activities, Joint Operating Agreements between Program Safeguard Contractors (PSC) and Affiliated Contractors (AC) should reflect proportionate allocation of tasks delineated to MR and LPET. When negotiating Joint Operating Agreements, the PSC should be cognizant of their task order.

11.2.2.2 – Education Delivered to a Group of Providers Workload and Cost (Activity Code 24117)

(Rev. 130, Issued: 11-10-05, Effective: 10-01-05, Implementation: 12-12-05)

Report the costs associated with Education Delivered to a Group of Providers in Activity Code 24117. Report the number of group educational *activities* in Workload 1. Report the number of providers educated in Workload 2. If a provider sends a representative(s) on his behalf to a group education activity, count the number of provider(s), not representative(s), to whom the educational activity was directed. (IOM Pub. 100-8, ch.1)