

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1441	Date: November 6, 2014
	Change Request 8762

SUBJECT: Implementation Instructions for the A/B and DME Medicare Administrative Contractors (MACs) and their Designated Shared Systems to Send the Correct Cost Avoided Indicator and Special Project Type to the Common Working File (CWF) To Ensure Correct Savings is Applied Both to the Medicare Secondary Payer (MSP) Savings Report and the Originating Contractor

I. SUMMARY OF CHANGES: This CR instructs the A/B (B) MACs, DME MACs, and designated shared systems to apply the correct MSP cost avoided indicator that pertains to the MSP type for each service line on the incoming claim. This CR also instructs the A/B MACs (A, HHH) to apply the correct MSP cost avoided indicator that pertains to the incoming claim, and apply the savings to the originating contractor of the MSP record. This shall be done under the appropriate special project and MSP type in the CROWD system. CWF shall accept the cost avoided indicator sent by the A/B MACs and DME MACs. CWF shall change its logic and remove part of the 6806/6826 MSP edit that currently executes the cost avoid logic. The designated shared systems, A/B MACs, and DME MACs shall apply the cost avoided savings to the appropriate MSP records as established by the originating contractor.

EFFECTIVE DATE: April 1, 2015

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

IMPLEMENTATION DATE: April 6, 2015 - VMS and MCS analysis, design and some coding; July 6, 2015 - VMS, MCS, and CWF coding testing, and full implementation

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	N/A

III. FUNDING:

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

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. Background: The MSP savings report is used by A/B MACs and DME MACs to report MSP cost avoided claims, full and partial recoveries, and total savings for MSP. Savings data are also reported by Special Project and MSP type, including Workers' Compensation, Working Aged, End Stage Renal Disease, Auto/No-Fault, Disability, Liability and Other Federal Programs. MACs report MSP savings data in the Contractor Reporting of Operational and Workload Data (CROWD) system.

It was discovered that MSP savings is not always reported under the correct MSP type or the correct special project. The reason is the Part B shared system sends CWF a cost avoided indicator based on the order of the MSP details found within the internal Secondary Payer (SP) screens, which may not be the MSP type found on, or related to, the incoming MSP claim. CWF receives the cost avoided indicator and returns a "corrected" indicator on the CWF response record, at the header field, using the 6806/6826 MSP edit. The shared system takes the CWF "corrected" indicator and then applies the cost avoided savings to the MSP special project designated by CWF. Change Request (CR) 8495 was originally an analysis, design, and implementation CR. During the analysis conference calls, it was discovered that the shared systems required additional system changes and a new implementation CR with new business requirements. CR 8495 was corrected and reissued as an analysis CR. This instruction represents the new implementation CR.

B. Policy: This CR instructs the A/B MACs (B), DME MACs, and designated shared systems to 1) apply the correct MSP cost avoided indicator that pertains to the MSP type for each service line on the incoming claim; and 2) apply the savings to the originating contractor of the MSP record. NOTE: The Fiscal Intermediary Shared System is not impacted by this instruction. This CR also instructs the A/B MACs and DME MACs to select the correct MSP cost avoided indicator that pertains to the MSP type on the incoming claim, and apply the savings to the originating contractor of the MSP record. This shall be done under the appropriate special project and MSP type in the CROWD system. CWF shall accept the cost avoided indicator sent by the MACs. CWF shall change its logic and remove part of the 6806/6826 MSP edit that executes the cost avoided logic. The MCS and VMS shared systems, A/B MACs, and DME MACs shall apply the cost avoided savings to the appropriate MSP records, as established by the originating contractor. The MACs and shared systems shall report the correct MSP savings amounts under the appropriate special project number for MSP savings, in accordance with Section 60 of Pub. 100-05, Chapter 5 of the Medicare Secondary Payer Manual. The CWF MSP record shall take precedence over the Multi-Carrier System (MCS) and VIPS Medicare System (VMS) internal MSP system control record when applying MSP savings to the correct originating contractor and special project in CROWD.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								Other
		A/B MAC			DME MAC	Shared-System Maintainers				
		A	B	HHH		FIS	MCSS	VMS	CWF	
8762.1	The A/B MACs, DME MACs, and designated shared systems shall no longer send CWF the cost avoided indicator based on the order of the MSP details as found in their internal MSP system control record.	X	X	X	X		X	X		
8762.2	The A/B MACs (B), DME MACs, and designated shared systems shall apply the appropriate MSP indicator that pertains to each service line on the incoming claim. NOTE: This includes applying the MSP savings to the originating contractor of the MSP record under the appropriate special project and MSP type within CROWD at the line level for cost avoided claims, full and partial recoveries, and total savings for prepay and post pay MSP.		X		X		X	X		
8762.2.1	If there are different service lines on the same claim for MSP, the service lines shall be counted under each applicable MSP type, by originating contractor, for each service line in CROWD.		X		X			X		
8762.3	The A/B MACs (A, HHH) shall continue to apply the correct MSP cost avoided indicator that pertains to the incoming claim, including subsequent adjustments, and apply the savings to the originating contractor under the appropriate special project and MSP type in CROWD.	X		X						
8762.4	The A/B MACs, DME MACs, and designated shared system shall apply the MSP savings to the earliest MSP type occurrence.	X	X	X	X		X	X		
8762.4.1	In those situations where there is more than one MSP record of the same type, the A/B MACs, DME MACs, and designated shared system shall take into consideration the patient relationship, as found on the 837 claim 2320 SBR02 segment, and the effective/termination date range on the MSP Auxiliary File when attributing the MSP savings to the correct MSP occurrence. EXAMPLE: Medicare receives an initial MSP Working Aged (WA) claim with a date of service April 15, 2014. MSP record 1 (originating contractor 11121) and record 2 (originating contractor 11105) are both open WA MSP records on CWF and contain the same patient relationship. The MSP effective date for Record 1 is December 1, 2013, while the MSP	X	X	X	X		X	X		

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	claim to match the COB Contractor Number on the MSP auxiliary file. Once the changes are implemented, whatever cost avoid is submitted on the claim shall continue to be reflected on the claim in the Health Insurance Master Record with no changes/corrections being made by CWF.									
8762.12	CWF shall determine whether the aforementioned changes impact the Fraud Prevention System and the Beneficiary Data Streamlining and make any necessary modifications to accommodate changes made to the 6806/6826 error code logic as identified in BR 8762.11.							X		
8762.13	CWF shall return the originating contractor number to Medicare contractors via the '03' trailer.							X		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

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

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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 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.

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