

# CMS Manual System

## Pub 100-19 Demonstrations

Transmittal 22

Department of Health & Human Services

Center for Medicare and Medicaid Services

Date: APRIL 29, 2005

Change Request 3770

**SUBJECT: Assignment of Non-Payment/Denial Code specific to the Recovery Audit Contractor (RAC) Created Group Health Plan (GHP) Occurrences**

**I. SUMMARY OF CHANGES:** Subsequent to the published CR 3724 in which three RAC contractor numbers were required to be recognized by all shared systems and Common Working File (CWF), this CR will require the assignment of a non-payment/denial code to these contractor numbers. The non-payment/denial code will ensure proper system denials for services billed on claims in which there is a recognized third party payer.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE : October 01, 2005**

**IMPLEMENTATION DATE : October 03, 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:** (N/A if manual is not updated)

**R = REVISED, N = NEW, D = DELETED – Only One Per Row.**

R/N/D	Chapter / Section / SubSection / Title

**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: Assignment of Non-payment Denial Code specific to Recovery Audit Contractor (RAC) Created Group Health Plan (GHP) Occurrences**

## I. GENERAL INFORMATION

**A. Background:** Subsequent to the published CR 3724 in which three RAC contractor numbers were required to be recognized by all shared systems and Common Working File (CWF), this CR will assign a non-payment denial code to these contractor numbers. The non-payment denial code will ensure proper system denials for services billed on claims in which there is a recognized third party payer.

**B. Policy:** A demonstration project is being initiated and will utilize RACs in the identification of new Medicare Secondary Payer (MSP) GHP occurrences and the recovery of the associated Medicare mistaken primary payments.

Contractor numbers have been assigned to the MSP RACs. To ensure proper denial of subsequent primary payments and accurate reporting of cost avoided savings for services which are within the GHP occurrence, a non-payment denial code is required.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*  
*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F	R	C	D	Shared System Maintainers				Other
						I	M	V	C	
		H	H	A	M	F	S	S	F	
3770.1	CWF and all shared systems shall associate the non-payment code/cost avoid code of "H" (self reports) with each RAC contractor number (11125, 11126 and 11127).	x	x	x	x	x	x	x	x	

## III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)							
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		F I	R H 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:**

X-Ref Requirement #	Instructions
3770.1	Claims denied due to the RAC created beneficiary record shall be reported within the overall MSP savings report for cost avoids. CMS doesn't require separate/individual MSP cost avoided savings reports for each RAC contractor number.

**B. Design Considerations:**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces:** None

**D. Contractor Financial Reporting /Workload Impact:** None

**E. Dependencies:** None

**F. Testing Considerations:** None

**V. SCHEDULE, CONTACTS, AND FUNDING**

<b>Effective Date*:</b> October 1, 2005 <b>Implementation Date:</b> October 3, 2005 <b>Pre-Implementation Contact(s):</b> Tina Merritt <b>Post-Implementation Contact(s):</b> Tina Merritt	<b>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</b>
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