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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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Department of Health & Human Services (DHHS)  
Centers for Medicare & Medicaid Services (CMS)

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Transmittal 401

Date: DECEMBER 16, 2004

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CHANGE REQUEST 3600

**NOTE: Transmittal 393, dated December 10, 2004 is rescinded and replaced with Transmittal 401, dated December 16, 2004. The incorrect manual instruction was attached. All other information remains the same.**

**SUBJECT: 2005 Part B Deductible Update to the Back Page of Medicare Summary Notices**

**I. SUMMARY OF CHANGES:** This instruction provides information needed for fiscal intermediaries and carriers to update the 2005 Part B deductible on the back page of the MSN.

**NEW/REVISED MATERIAL - EFFECTIVE DATE\*: January 1, 2005**  
**IMPLEMENTATION DATE: January 24, 2005**

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)**  
**(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)**

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	21/10.3.11/Back of the MSN – Carriers and Intermediaries

**III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.**

**IV. ATTACHMENTS:**

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

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

# Attachment - Business Requirements

Pub. 100-04	Transmittal: 401	Date: December 16, 2004	Change Request 3600
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**SUBJECT: 2005 Part B Deductible Update to the Back Page of Medicare Summary Notices**

## **I. GENERAL INFORMATION**

**A. Background:** On September 10, 2004, CR 3463 (Transmittal 10), "Update to Medicare Deductible, Coinsurance and Premium Rates for Calendar Year 2005," updated the Medicare Part B deductible from \$100 to \$110. However, CMS did not include instructions for fiscal intermediaries (FIs) and carriers to update the back page of the Medicare Summary Notice (MSN) with information that reflects this new rate change. This One-Time Notice provides language needed for FIs and carriers to update the 2005 Part B deductible on the back page of the MSN. This new language, as shown in the requirements below, creates flexibility so future annual Part B deductible updates can be made without system changes. It also prevents confusion since the same MSN format is used for claims spanning across numerous years.

CMS understands that, due to various MSN run dates among contractors, an implementation date of "45 days from issuance" may be infeasible. Therefore, contractors should implement changes on the first MSN run date that falls on or after the implementation date. Contractors have the option to implement these changes prior to the implementation date if they are able to do so. Contractors also have the option to implement when their existing MSN stock exhausts.

**B. Policy:** Section 629 of the Medicare Prescription Drug, Improvement and Modernization Act increases the Medicare Part B deductible from \$100 to \$110.

**C. Provider Education:** None.

## 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 M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
3600.1	Medicare contractors shall update Part B deductible information on the Part B MSN with the following language:  "annual deductible: taken from the first Medicare Part B approved charges each calendar year"			X	X					
3600.1.1	Medicare contractors shall update Part B deductible information on the Part B MSN with the following language:  "el deducible anual: se resta cada año de los primeros cargos aprobados de la Parte B de Medicare"			X	X					
3600.2	Fiscal intermediaries shall update Part B deductible information on the Part A MSN with the following language:  "annual deductible: taken from the first Medicare Part B charges each year"	X	X							
3600.2.1	Fiscal intermediaries shall update Part B deductible information on the Part A MSN with the following language:  "el deducible anual: se resta cada año de los primeros cargos de la Parte B de Medicare"	X	X							
3600.3	Contractors shall print the new 2005 MSNs (with required changes) starting on the first MSN run date that falls on or after the implementation date.	X	X	X	X					

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions:

X-Ref Requirement #	Instructions
3600.3	Contractors who have the ability to implement prior to the implementation date may do so.
3600.3	Contractors who decide to exhaust their existing MSN stock prior to implementing may do so.

#### 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

### IV. SCHEDULE, CONTACTS, AND FUNDING

<b>Effective Date*:</b> January 1, 2005 <b>Implementation Date:</b> January 24, 2005 <b>Pre-Implementation Contact(s):</b> Joe Bryson at <a href="mailto:jbryson2@cms.hhs.gov">jbryson2@cms.hhs.gov</a> or 410-786-2986 <b>Post-Implementation Contact(s):</b> Regional Office	<b>Medicare contractors shall implement these instructions within their current operating budgets.</b>
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# Medicare Claims Processing Manual

## Chapter 21 - Medicare Summary Notices

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(Rev. 401, 12-16-04)

### 10.3.11 - Back of the MSN - Carriers and Intermediaries

(Rev. 401, 12-16-04)

**A3-3726.11, B3-7008, A-01-93, A-00-58**

#### **A - General Information about the Back of the MSN:**

Print the appropriate information on the back of each page of the MSN. The information may be preprinted.

Print the back of the MSN at no more than 6 lines to an inch.

#### **B - Technical Specifications for the Back of the MSN:**

Contractors include the following information in this order:

- Title

**Intermediaries:** “IMPORTANT INFORMATION YOU SHOULD KNOW ABOUT YOUR MEDICARE BENEFITS,” centered as shown in exhibits in [§30](#) and printed equivalent to 14-point bold uppercase type in a band of 10-percent shading for MSNs showing both outpatient and inpatient information. (See [exhibit 2](#), “Back of Notice Outpatient and Inpatient Combined.”)

**Carriers:** “Important Information You Should Know About Your Medicare Part B Benefits,” centered and printed in 18 point italic type in a band of 10% shading.

- Allow equivalent to 12-point blank line.
- Subtitle/Statement.

**Intermediaries/ Carriers:** “For more information about services covered by Medicare, please see your Medicare Handbook.” This subtitle is centered and printed equivalent 14-point mixed case type.

#### **Intermediaries:**

Print the following information single-spaced in two newspaper style columns equivalent to 11-point mixed case type. Print the headings equivalent to 11-point bold uppercase type.

- Print a line down the center of the page dividing the two columns as shown in exhibit 2, “Back of Notice Outpatient and Inpatient Combined.”

- In the following paragraphs of exhibit 2, print the indicated words equivalent to 11-point bold type:
  - Paragraph 2 - “The Amount You May Be Billed”; “Part A”; “an inpatient hospital deductible”; “a coinsurance amount for the 61st through 90th days”; “a coinsurance amount for each Lifetime Reserve Day”; “a blood deductible”; “an inpatient coinsurance for the 21st through the 100th days.” “skilled nursing facility”; “not covered”.
  - Paragraph 4 - “annual deductible”; “Part B”; “coinsurance”; “not covered”.
  - Paragraph 6 - “Part A”; “60 days”; “Part B”, “6 months”; “help with your appeal”.
- Allow blank line.
- Print horizontal line (0.048” wide extending from left to right margin).
- Print “Centers for Medicare & Medicaid Services” equivalent to 10-point bold italic type in a band of 10-percent shading.

Intermediaries must change the back of the MSN using the following language to reflect Outpatient Prospective Payment System (OPPS) changes in coinsurance.

**"THE AMOUNT YOU MAY BE BILLED** for **Part B** services includes:

- **“An annual deductible**, *taken from* the first Medicare Part B charges each year;
- “After the deductible has been met for the year, depending on services received, a **coinsurance** amount (20 percent of the amount charged), or a fixed copayment for each service; and
- “Charges for services or supplies that are **not covered** by Medicare. You may not have to pay for certain denied services. If so, a note on the front will tell you.”

Also, print the following message in the “General Information” Section:

“If the coinsurance amount you paid is more than the amount shown on your notice, you are entitled to a refund. Please contact your provider.”

*Carriers* must change the back of the MSN using the following language:

***YOUR RESPONSIBILITY:*** *The amount in the **You May Be Billed** column is your share of cost for the services shown on this notice. You are responsible for:*

- ***annual deductible:*** *taken from the first Medicare Part B approved charges each calendar year,*
- ***coinsurance:*** *20% of the Medicare approved amount, after the deductible has been met for the year,*

- *the amount billed, up to the **limiting charge**, for unassigned claims, and*
- *charges for services/supplies that are **not covered** by Medicare. You may not have to pay for certain denied services. If so, a **NOTE** on the front will tell you.*