

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 878	Date: April 22, 2011
	Change Request 7276

SUBJECT: System Changes to VMS to Allow DME MACs to Adjust Claims Denied as a Result of ZPIC Auto-Denial Edits to Pay After an Appeals Decision

I. SUMMARY OF CHANGES: CMS has determined that the VMS systems should allow the DME MAC to bypass auto deny edits set by the Zone Program Integrity Contractors (ZPICs) for a specific claim, rather than deactivating the auto denial edits at the risk of paying new claims.

EFFECTIVE DATE: October 1, 2011

IMPLEMENTATION DATE: October 3, 2011

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	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

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

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.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 878	Date: April 22, 2011	Change Request: 7276
-------------	------------------	----------------------	----------------------

SUBJECT: System Changes to VMS to Allow DME MACs to Adjust Claims Denied as a Result of ZPIC Auto-Denial Edits to Pay After an Appeals Decision

EFFECTIVE DATE: October 1, 2011.

IMPLEMENTATION DATE: October 3, 2011.

I. GENERAL INFORMATION

A. Background: The Zone Program Integrity Contractors (ZPICs) set alert codes or Entity Action Records (EAR) to auto-deny claims based on beneficiary or supplier characteristics. As a result of the appeals process, the DME MACs have claims that they need to adjust to pay. In order to complete the adjustment, the DME MAC must inactivate an EAR or add an end date to the alert code. The edit remains inactive for the amount of time that it takes to process the adjustment. By making the edits inactive, the risk of paying new claims is present. This CR requires the VMS maintainers to update the VMS systems with logic to allow the DME MAC to bypass auto deny edits set by the ZPICs.

B. Policy: CMS has determined that the VMS systems should allow the DME MAC to bypass auto deny edits set by the ZPICs for a specific claim, rather than deactivating the auto denial edits at the risk of paying new claims.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M M A C	F I I E R	C A R I E R	R H R I S	Shared-System Maintainers				O T H E R	
		F I S S	M I S S	V M S	C M S	W C F						
7276.1	The Shared System Maintainer shall add system logic to allow the DME MACs to bypass an auto denial edit set by a PSC/ZPIC for a specific claim.									X		
7276.1.1	The bypass mechanism shall apply only to those auto denial edits that have been set by a PSC or ZPIC.									X		
7276.1.2	The system logic shall allow the DME MAC to adjust a specific claim that has been auto-denied and for which the denial has been reversed through the appeals process.									X		
7276.1.3	The EAR shall remain active for all other new claims when the bypass is used.									X		
7276.2	The Shared System Maintainer shall implement system security provisions that limit access to the module so									X		

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R R I E R	R H I I S S	Shared-System Maintainers				OTH ER
							F I S S	M C S	V M S	C W F	
	that only certain individuals can perform the bypass process.										
7276.3	The shared systems module developed for BR 7276.1 shall provide reporting to indicate when the bypass is used.									X	
7276.3.1	The module shall record the date, time, claim number, and individual who used the bypass whenever the bypass is used.									X	
7276.3.2	The module shall maintain usage records, for the purpose of auditing, for at least seven years.									X	
7276.4	The PSCs/ZPICs and EDCs shall coordinate to ensure that the responsible PSCs/ZPICs receive a monthly count of bypass usage.										EDC s ZPI Cs
7276.4.1	The shared system shall develop a monthly report that summarizes bypasses by Supplier number.									X	
7276.4.1.1	The report shall contain a count of bypasses for each day in the month of the report.									X	
7276.4.1.2	The report shall be produced by the 10 th of each month.									X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R R I E R	R H I I S S	Shared-System Maintainers				OTH ER
							F I S S	M C S	V M S	C W F	
	None.										

IV. SUPPORTING INFORMATION

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

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
NA	

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s):

Anthony Hodge at 410-786-6645 or Anthony.hodge3@cms.hhs.gov

John Stewart at 410-786-1189 or John.Stewart@cms.hhs.gov

Post-Implementation Contact(s):

Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:

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

Section B: 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.