

# **CMS Manual System**

## **Pub 100-04 Medicare Claims Processing**

**Transmittal 950**

**Department of Health & Human Services (DHHS)**

**Centers for Medicare & Medicaid Services (CMS)**

**Date: MAY 12, 2006**

**Change Request 5082**

**SUBJECT: Realignment of States and Medicare Claims Processing Workload from the Current DMERC Regions A and B to the DME MAC Jurisdictions A and B. This Change Request Rescinds and Replaces Change Request 4002.**

**I. SUMMARY OF CHANGES:** Due to contract award protests filed in Jurisdictions C and D, CMS will implement DME MACs only in Jurisdictions A and B on July 1, 2006. This Change Request (CR) is released to reflect those date changes, the new contractor numbers associated with the new DME MAC jurisdictions, and to reflect that Jurisdiction B will incorporate the State of Kentucky from DMERC region C. In addition, the States of Virginia and West Virginia will move temporarily from DMERC Region B to the Jurisdiction B DME MAC on July 1, 2006. However, the DME workload for these 2 States will be moved to the Jurisdiction C at a later date. A new CR will be issued at a later date to reflect when the DME MACs in Jurisdictions C and D will become fully operational. The alignment of Durable Medical Equipment Medicare Administrative Contractor (DME MAC) jurisdictions with the 15 primary A/B MAC jurisdictions requires movement of States from the current DMERC regions. The VMS and CWF standard system changes are necessary to: facilitate the movement of claims data (online claims and claims in history) and Certificates of Medical Necessity (CMN) from the DMERC regions to the DME MAC jurisdictions; change current DMERC region and contractor numbers to new DME MAC numbers; and facilitate the redirection of misrouted claims to the DME MAC jurisdiction including the State in which the beneficiary resides. This CR will be implemented across three releases beginning with the January 2006 release, continuing through April 2006, and with completion in July 2006. The January 2006 release was for analysis only by the VMS and CWF maintainers. Fiscal intermediaries, carriers, RHHIs, and DMERCs are not required to implement this CR until further notice.

### **NEW/REVISED MATERIAL**

**EFFECTIVE DATE: July 1, 2006**

**IMPLEMENTATION DATE: July 3, 2006**

*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 2006 operating budgets.

**IV. ATTACHMENTS:**

One-Time Notification

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

# Attachment – One-Time Notification

Pub. 100-04	Transmittal: 950	Date: May 12, 2006	Change Request 5082
-------------	------------------	--------------------	---------------------

**SUBJECT: Realignment of States and Medicare Claims Processing Workload from the Current DMERC Regions A and B to the DME MAC Jurisdictions A and B. This Change Request Rescinds and Replaces Change Request 4002.**

This Change Request (CR) will be implemented across three releases beginning with the January 2006 release, continuing through April 2006, with completion in July 2006. The January 2006 release was for analysis only by the VMS and CWF maintainers.

Due to contract award protests filed in Jurisdictions C and D, CMS will implement DME MACs only in Jurisdictions A and B on July 1, 2006. This CR is released to reflect those date changes, the new contractor numbers associated with the new DME MAC jurisdictions, and also, to reflect that Jurisdiction B will incorporate the State of Kentucky from DMERC Region C. In addition, the States of Virginia and West Virginia will be temporarily moved from DMERC Region B to the Jurisdiction B DME MAC on July 1, 2006. However, the DME workload for these 2 States will be moved to the Jurisdiction C at a later date.

A new CR will be issued at a later date to reflect when the DME MACs in Jurisdictions C and D will become fully operational.

## I. GENERAL INFORMATION

**A. Background:** Under Section 911 of the Medicare Prescription Drug, Improvement and Modernization Act (MMA), Congress mandated that the Secretary of Health and Human Services replace the current contracting authority under Title XVIII of the Social Security Act with the new Medicare Administrative Contractor (MAC) authority. Contracting reform requires that CMS use competitive procedures to replace its current fiscal intermediaries (FIs) and carriers with a uniform type of administrative entity, referred to as Medicare Administrative Contractors (MACs). The FIs handle claims processing and benefit payment functions for institutional providers under Part A and Part B of the Medicare program; while carriers perform the same functions for professional providers under Part B of the program.

The competition of the current DMERC workloads initiates the first phase of the MAC acquisition and transition schedule. The movement of States outside of the existing DMERC regions realigns the DME MAC jurisdictions with the 15 primary A/B MAC jurisdictions.

**B. Policy:** Effective with future awards of the DME MACs, the geographical boundaries of the DMERC service regions will be reconfigured as follows:

Jurisdiction A: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont

Jurisdiction B: Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, Kentucky. The States of Virginia and West Virginia will temporarily be moved from the Region B DMERC to this Jurisdiction.

Jurisdiction C: Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virgin Islands. The States of Virginia and West Virginia will be incorporated into this DME MAC Jurisdiction at a later date.

Jurisdiction D: Alaska, Arizona, California, Guam, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, Mariana Islands, American Samoa

## 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 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	
5082.1	DME MACs shall process claims based on a Medicare beneficiary's principal residence by State.									DME MAC
5082.2	DME MACs shall maintain a Medicare claims processing front end system which detects misrouted claims for beneficiaries who do not reside within the jurisdiction serviced by the DME MAC and directs the claim to the correct DME MAC jurisdiction, or DMERC region for processing.				X					DME MAC
5082.3	VMS shall make required system changes to facilitate the redirection of misrouted claims to the DME MAC jurisdiction which includes the State in which the beneficiary resides.							X		





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			
F I S S	M C S					V M S	C W F		
	the beneficiary resides.								

**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			
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><b>Effective Date*:</b> July 1, 2006</p> <p><b>Implementation Date:</b> July 3, 2006 for full implementation.</p> <p><b>Pre-Implementation Contact(s):</b> James Ralls <a href="mailto:james.ralls@cms.hhs.gov">james.ralls@cms.hhs.gov</a>, or 410-786-9504.</p> <p><b>Post-Implementation Contact(s):</b> James Ralls</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</b></p>
--	--

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