

Program Memorandum Intermediaries/Carriers

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

Transmittal AB-03-113

Date: AUGUST 1, 2003

CHANGE REQUEST 2704

SUBJECT: Update of Codes in the Program Integrity Management Reporting System (PIMR) and the Contractor Administrative Cost and Financial Management System (CAFM II)

I - GENERAL INFORMATION:

A. Background:

This Program Memorandum (PM) provides instructions for implementing changes needed to support reporting through PIMR and the Medical Review (MR) section of CAFM II.

The new PIMR system changes reporting requirements for MR and fraud are in CMS Publication 83 (Program Integrity Manual), Chapter 7 (MR and BI Reports), §§1, 5, and 6-10. Formerly the requirements were in CMS Publication 13 (Medicare Intermediary Manual), Part 2, §2301, and Part 3, §3939. They were also included in CMS Publication 14 (Medicare Carriers Manual), Part 3, §§7504.2, 7535-7537, and 14021.

CAFM II changes are contained in the Budget and Performance Requirements for MR.

Interface Identification

The PIMR system requires contractors to submit summarized workload and savings data for MR activities on a monthly basis. CAFM II requires contractor manual entry of cost and workload on a monthly basis.

B. Policy:

PIMR requirements are in CMS Publication 83 (Program Integrity Manual), Chapter 7 (MR and BI Reports), §§1, 5, and 6-10 were formerly in CMS Publication 13 (Medicare Intermediary Manual), Part 2, §2301 and Part 3, §3939. These requirements were also in CMS Publication 14 (Medicare Carriers Manual) Part 3, §§7504.2, 7535-7537, and 14021.

CAFM II requirements are in the MR section of the FY 2004 BPR.

II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
1	In time for contractors to begin reporting data on activity codes specified in the FY 2004 BPRs by January 1, 2004, Standard System Maintainers are responsible for developing standard system modifications that allow tabulation of PIMR data by use of the CAFM II codes specified in the MR section of the FY 2004 BPR requirements as Activity Codes (See Attachment 1 for expected codes).	Standard System Maintainers

Requirement #	Requirements	Responsibility
	The Arkansas Part A Standard System and associated FIs are waived from implementing this requirement on January 1, 2004, due to their upcoming transition to the (FISS) system. However, they must implement this requirement upon transitioning to the FISS system.	
2	By January 1, 2004, Contractor Data Centers are responsible for implementing, operating, and maintaining the standard system modules for PIMR specified in requirement 1 and provided by standard system maintainers. The Arkansas Part A Standard System and associated FIs are waived from implementing this requirement on January 1, 2004, due to their upcoming transition to the (FISS) system. However, they must implement this requirement upon transitioning to the FISS system.	Contractor Data Centers
3	By January 1, 2004, contractors must insure that standard system maintainers correctly implement in PIMR codes dependent on local contractor definitions and used by the standard system modules that this PM requires and making certain that data submissions required by PIMR are correct. In addition, contractors must collect and enter the postpayment information specified in Attachment 1. The Arkansas Part A Standard System and associated FIs are waived from implementing this requirement on January 1, 2004, due to their upcoming transition to the (FISS) system. However, they must implement this requirement upon transitioning to the FISS system.	Contractor Staff
4	In time for contractors to begin reporting data required by this PM by January 1, 2004, Standard System Maintainers are responsible for developing standard system modifications that allow tabulation of data needed to manually enter the CAFM II workload data specified in the MR section of the FY 2004 BPR requirements as Activity Codes (See Attachment 2 for expected codes). The Arkansas Part A Standard System and associated FIs are waived from implementing this requirement on January 1, 2004, due to their upcoming transition to the (FISS) system. However, they must implement this requirement upon transitioning to the FISS system.	System maintainers, Contractor staff, and Data Centers
5	By January 1, 2004, Contractor Data Centers are responsible for implementing, operating, and maintaining the standard system modules	All

	modifications required by this PM in requirement 4 and provided by standard system maintainers. The Arkansas Part A Standard System and associated FIs are waived from implementing this requirement on January 1, 2004, due to their upcoming transition to the (FISS) system. However, they must implement this requirement upon transitioning to the FISS system.	
6	By January 1, 2004, contractors must insure that standard system maintainers correctly implement in PIMR codes dependent on local contractor definitions and used by the standard system modules that this PM requires and making certain that changes to data submissions required by the MR section of the FY 2004 BPR are correct. In addition, contractors must collect and enter the postpayment information specified in Attachment 2. The Arkansas Part A Standard System and associated FIs are waived from implementing the part of this requirement for prepayment review January 1, 2004, due to their upcoming transition to the (FISS) system. However, they must implement this requirement upon transitioning to the FISS system.	All

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Req. #	Instructions

B. Design Considerations: N/A

X-Ref Req. #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: None

E. Dependencies:

The new PIMR system changes reporting requirements for MR and fraud in CMS Publication 83 (Program Integrity Manual) Chapter 7 (MR and BI Reports) §§ 1, 5, and 6-10. Formerly, the requirements were in CMS Publication 13 (Medicare Intermediary Manual) Part 2 §2301 and Part 3 §3939, and CMS Publication 14 (Medicare Carriers Manual) Part 3 §§7504.2, 7535-7537, and 14021.

F. Testing Considerations: None**IV. Attachment(s)** None

Version: Draft 4/1/02	Effective Date: January 1, 2004
Implementation Date: January 1, 2004	Funding: These instructions should be implemented within your current operating budget.
Discard Date: January 1, 2005	
Post-Implementation Contact: John Stewart, OFM/PIG/DMS, jstewart@cms.hhs.gov	Pre-Implementation Contact: John Stewart, OFM/PIG/DMS, jstewart@cms.hhs.gov

ATTACHEMENT 1 PIMR REQUIREMENTS

PIMR PREPAYMENT ACTIVITY CODES

A unique code associated with each prepay MR activity to allow reporting by activity. Standard systems should provide for the collection and reporting of these codes where appropriate.

Prepay activities include:

- 21001L = Automated Locally Developed Edit,
- 21001N = Automated National Edit
- 21001 I = Automated CCI Edit
- 21002 = Manual Routine Review,
- 21010 = TPL or Demand Bill Claim Review (Required only for FIs)
- 21100 = Payment Safeguard Contractor Support Services that involve use of the standard system
- 21201 = Prepay Complex Probe Review
- 21202 = Prepay Complex Provider Specific Review
- 21203 = Prepay Complex Service Specific Review
- 212031 = Advance Determinations of Medicare Coverage (ADMC) (Required only for DMERCS – THIS IS A NEW ACTIVITY TYPE REQUIREMENT)
- 21210 = Re-opening (formerly 21201R)

Left justifies activity types less than six positions.

PIMR POSPAYMENT ACTIVITY CODES

A unique identification code associated with the Postpay Review activity. This code is used to track workload, denials, and referrals resulting from each activity. Left justify activity types less than six positions. Contractors will collect and report this information outside of the standard system.

Prepay activities include:

- 21030 = Routine Manual Postpay
- 21031 = Complex Manual Provider-Specific Postpay Review
- 210311 = Consent Settlement Offers (Required for FIs only – THIS IS A NEW ACTIVITY TYPE REQUIREMENT)
- 210312 = Consent Settlement Offers Accepted (Required for FIs only – THIS IS A NEW ACTIVITY TYPE REQUIREMENT)
- 210313 = Statistical Samples for Overpayment Extrapolation – THIS IS A NEW ACTIVITY TYPE REQUIREMENT
Contractors must keep a record of the total number of statistical samples for overpayment extrapolation (formerly statistically valid random samples (SVRS)) performed in Miscellaneous Code 21031/03. *(Note: Chapter 11 will be updated with this information).*
- 21032 = Complex Manual Service-Specific Postpay Review
- 21100 = Payment Safeguard Contractor Support Services that do not involve use of the standard system
- 21205 = Postpay Complex Probe Review

ATTACHMENT 2 CAFM CODES FOR FIs

Instructions for completing the following quantifiable MR Activities can be found in the PIM, Chapter 11. Intermediaries must follow the instructions in the PIM when performing and reporting the costs and workloads associated with the following activities:

Automated Review (Activity Code 21001)

PIM Ch. 3, § 5.1; PIM Ch. 11, § 1.3.1

Routine Manual Prepay Reviews (Activity Code 21002)

PIM Ch. 3, § 5.1; PIM Ch. 11, § 1.3.2

Data Analysis (Activity Code 21007)

PIM Ch. 2, § 2; PIM Ch. 11, § 1.4

Third Party Liability (TPL) or Demand Bills (Activity Code 21010)

PIM Ch. 6, § 1.1; PIM Ch. 11, § 1.6

Routine Manual Postpayment Claims Review (Activity Code 21030)

PIM Ch. 3, § 6, PIM Ch. 11, § 1.7.1

Complex Manual Provider-Specific Postpayment Claims Review (Activity Code 21031)

PIM Ch. 3, § 6; PIM Ch. 11, § 1.7.2

Consent Settlement Offers (Miscellaneous Code 21031/01)

Intermediaries must keep a record of the number of consent settlements offered in Miscellaneous Code 21031/01.

Consent Settlement Offers Accepted (Miscellaneous Code 21031/02)

Intermediaries must keep a record of the number of consent settlements accepted in Miscellaneous Code 21031/02.

Statistical Samples for Overpayment Extrapolation (Miscellaneous Code 21031/03)

Intermediaries must keep a record of the total number of statistical samples for overpayment extrapolation (formerly statistically valid random samples (SVRS)) performed in Miscellaneous Code 21031/03. *(Note: Chapter 11 will be updated with this information).*

PIM Ch. 3, § 6

**Complex Manual Service-Specific Postpayment Claims Review
(Activity Code 21032)**

PIM Ch. 3, § 6; PIM Ch. 11, § 1.7.3

Program Safeguard Contractor (PSC) Support Services (Activity Code 21100)

PIM Ch. 11, § 1.8

Prepay Complex Manual Probe Sample Review (Activity Code 21201)

PIM Ch. 3, § 2; PIM Ch. 11, § 1.3.3

Prepay Complex Manual Provider-Specific Review (Activity Code 21202)

PIM Ch 3, § 4.5; PIM Ch. 11, § 1.3.4

Prepay Complex Manual Service-Specific Review (Activity Code 21203)

Report all costs associated with prepay complex manual service specific reviews in Activity Code 21203. In the workload section of Activity Code 21203, report the number of claims reviewed in Workload 1. Report the number of claims denied in whole or in part in Workload 2. To the extent the intermediary can report providers subjected to complex review, they should report this number in Workload 3. *(Note: need to update PIM).*

PIM Ch. 3, § 4.5

Postpay Complex Manual Probe Sample Review (Activity Code 21205)

PIM Ch. 3, § 2; PIM Ch. 11, § 1.7.4

Policy Reconsideration/Revision (Activity Code 21206)

PIM Ch. 11, § 1.5.2

MR Program Management (Activity Code 21207)

MR Program Management encompasses managerial responsibilities inherent in managing MR and LPET, including; development, modification, and periodic reporting of MR/LPET Strategies and quality assurance activities; planning, monitoring, and adjusting workload performance; budget-related monitoring and reporting; and implementation of CMS instructions.

Activity Code 21207 is designed to capture the costs of managerial oversight for the following tasks:

- Develop and periodically modify MR/LPET Strategy;

- Develop and modify quality assurance activities, including special studies, Inter-Reviewer Reliability testing, committee meetings, and periodic reports;
- Evaluate edit effectiveness;
- Plan, monitor, and oversee budget, including interactions with contractor budget staff and regional office (RO) budget and MR program staff;
- Manage workload, including monitoring of monthly workload reports, reallocation of staff resources, and shift in workload focus when indicated;
- Implement MR instruction from regional and/or central office;
- Educate staff on MR issues, new instruction, and quality assurance findings.

PIM Ch. 11, § 1.9

New Policy Development (Activity Code 21208)

PIM Ch. 11, § 1.5.1

Corporate Activities (Activity Code 21209)

Report all costs associated with corporate functions directly benefiting or related to MR and/or LPET. These corporate activities must be allowable and allocable to the Medicare line of business.

Activity Code 21209 is designed to capture the costs of managerial oversight for the following tasks:

- Participate in monthly MRs;
- Participate in Contractor Medical Director (CMD) meetings;
- Attend national conferences; and
- Participate in CMS workgroup activities.

PIM Ch. 11, § 1.10

Medical Review Reopenings (Activity Code 21210)

Contractor MR staff may need to re-process denials returned from the formal appeals process. In the Workload section of Activity Code 21210, intermediaries must capture the number of reopening requests received in Workload 1, the number of reopening requests resulting in payment in Workload 2, and, to the extent possible, the number of providers requesting a reopening in Workload 3. *(Note: PIM Chap. 11 will be updated).*

The following codes should be collected by Part A standard systems: 21001, 21002, 21010, 21100 (where support by the standard system is required), 21201, 21202, 21203, and 21210.

ATTACHMENT II CAFM CODES FOR CARRIERS AND DMERCs

Instructions for completing the following quantifiable MR Activities can be found in the PIM, Chapter 11. Carriers and DMERCs must follow the instructions in the PIM, when performing and reporting the costs and workloads associated with the following activities:

Automated Review (Activity Code 21001)

PIM Ch. 3, § 5.1; PIM Ch. 11, § 1.3.1

Routine Manual Prepay Reviews (Activity Code 21002)

PIM Ch. 3, § 5.1; PIM Ch. 11, § 1.3.2

Data Analysis (Activity Code 21007)

PIM Ch. 2, § 2; PIM Ch. 11, § 1.4

Routine Manual Postpayment Claims Review (Activity Code 21030)

PIM Ch. 3, § 6; PIM Ch. 11, § 1.7.1

Complex Manual Provider-Specific Postpayment Claims Review (Activity Code)

PIM Ch. 3, § 6; PIM Ch. 11, § 1.7.2

Statistical Samples for Overpayment Extrapolation (Miscellaneous Code 21031/03)

Carriers and DMERCs must keep a record of the total number statistical samples for overpayment extrapolation (formerly statistically valid random samples (SVRS)) performed in Miscellaneous Code 21031/03. *(Note: Chapter 11 will be updated with this information).*

PIM Ch. 3, § 6

Complex Manual Service-Specific Postpayment Claims Review (Activity Code 21032)

PIM Ch. 3, § 6; PIM Ch. 11, § 1.7.3

Program Safeguard Contractor (PSC) Support Services (Activity Code 21100)

PIM Ch. 11, § 1.8

Prepay Complex Manual Probe Sample Review (Activity Code 21201)

PIM Ch. 3, § 2; PIM Ch. 11, § 1.3.3

Prepay Complex Manual Provider-Specific Review (Activity Code 21202)

PIM Ch 3, § 4.5; PIM Ch. 11, § 1.3.4

Prepay Complex Manual Service-Specific Review (Activity Code 21203)

Report all costs associated with prepay complex manual service specific review in Activity Code 21203. In the workload section of Activity Code 21203, report the number of claims reviewed in Workload 1. Report the number of claims denied in whole or in part in Workload 2. To the extent the carrier and DMERC can report providers subjected to complex review, they should report this number as Workload 3. *(Note: need to update PIM).*

PIM Ch. 3, § 4.5

Advance Determinations of Medicare Coverage (ADMC) (Miscellaneous Code 21203/01)

DMERCs are to report all costs associated with performing advanced determinations of Medicare coverage (ADMC) in Miscellaneous Code 21203/01. DMERCs are to report the number of ADMC requests approved. *(Note: need to update PIM)*

PIM Ch. 5, § 7

Postpay Complex Manual Probe Sample Review (Activity Code 21205)

PIM Ch. 3, § 2; PIM Ch. 11, § 1.7.4

Policy Reconsideration/Revision Activities (Activity Code 21206)

PIM Ch. 11, § 1.5.2

MR Program Management (Activity Code 21207)

MR Program Management encompasses managerial responsibilities inherent in managing MR and LPET, including: development, modification and periodic reporting of MR/LPET Strategies and quality assurance activities; planning, monitoring, and adjusting workload performance; budget-related monitoring and reporting; and implementation of CMS instructions.

Activity Code 21207 is designed to capture the costs of managerial oversight for the following tasks:

- Develop and periodically modify MR/LPET Strategy;
- Develop and modify quality assurance activities, including special studies, Inter-Reviewer Reliability testing, committee meetings, and periodic reports;
- Evaluate edit effectiveness;
- Plan, monitor, and oversee budget, including interactions with contractor budget staff and RO budget and MR program staff;
- Manage workload, including monitoring of monthly workload reports, reallocation of staff resources, and shift in workload focus when indicated;
- Implement MR instruction from regional and/or central office;

- Educate staff on MR issues, new instruction, and quality assurance findings.

PIM Ch. 11, § 1.9

New Policy Development Activities (Activity Code 21208)

PIM Ch. 11, § 1.5.1

Corporate Activities (Activity Code 21209)

Report all costs associated with corporate functions directly benefiting or related to MR and/or LPET. These corporate activities must be allowable and allocable to the Medicare line of business.

Activity Code 21209 is designed to capture the costs of managerial oversight for the following tasks:

- Participate in monthly MRs;
- Participate in Contractor Medical Director (CMD) meetings;
- Attend national conferences; and
- Participate in CMS workgroup activities

PIM Ch. 11, § 1.10

Medical Review Reopenings (Activity Code 21210)

Contractor MR staff may need to re-process denials returned from the formal appeals process. In the workload section of CAFM II, Activity Code 21210, carriers and DMERCs must capture the number of reopening requests received in Workload 1; the number of reopening requests resulting in payment in Workload 2; and, to the extent possible, the number of providers requesting a reopening in Workload 3. *(Note: PIM Ch. 11 will be updated).*

The following codes should be collected by Part B standard systems: 21001, 21002, 21100 (where support by the standard system is required), 21201, 21202, 21203, 21203/01, and 21210.