
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 121

Date: October 29, 2004

CHANGE REQUEST 3330

SUBJECT: Modification to Fiscal Intermediary Standard System (FISS) Regarding Common Working File Initiated Adjustments

I. SUMMARY OF CHANGES: Modifies the Fiscal Intermediary Standard System (FISS) to ensure the Common Working File (CWF) initiated adjustments cannot be returned to the provider.

NEW/REVISED MATERIAL - EFFECTIVE DATE: April 4, 2005 (Claims received on or after)

***IMPLEMENTATION DATE: April 4, 2005**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)
(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

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

***Medicare contractors only**

Attachment – One-Time Notification

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SUBJECT: Modification to Fiscal Intermediary Standard System (FISS) Regarding Common Working File Initiated Adjustments

I. GENERAL INFORMATION

A. Background: Payment policies under various Medicare prospective payment systems (PPS) require the comparison of claims across providers and across provider types to determine accurate payment. Since claims from different providers are not necessarily received in service date sequence, claims may be paid initially and then found, upon the later receipt of another provider's claim, to have been paid in error or at the incorrect payment rate. Increasingly, the enforcement of these payment policies is implemented through editing in the Common Working File (CWF).

CWF notifies fiscal intermediaries of the need to take action on a previously paid claim via the unsolicited response mechanism. Unsolicited responses are used to enforce the consolidated billing provisions of the home health PPS and the skilled nursing facility PPS, as well as to initiate correct home health PPS partial episode payment adjustments. Unsolicited responses are also used to administer the shift of home health payments from the Part A Trust Fund to Part B. There are other circumstances in which this mechanism is used as well.

Upon receipt of an unsolicited response, the Fiscal Intermediary Standard System (FISS) creates a CWF initiated adjustment claim (type of bill xxG). In certain circumstances during processing, these CWF initiated adjustment claims may encounter other edits and be returned to the provider (RTP). Since the provider did not submit an adjustment request, they may not understand why this adjustment was created. The provider may either suppress the view of the RTP adjustment record or simply may not act on it, allowing it to be purged from the FISS RTP file.

In these cases the required payment adjustment may not be made. For example, claims identified as subject to consolidated billing may be left unchanged, preventing a duplicate Medicare payment from being recovered. Also, the fiscal intermediary's claims history records may become out of synch with the claims history on CWF. This may result in a variety of claims processing problems, such as those encountered during the implementation of the home health A-B shift. The requirements outlined below seek to avoid these or similar adverse impacts related to other uses of unsolicited responses.

B. Policy: Medicare systems must not allow CWF initiated adjustment claims to be returned to the provider. Federal regulations requiring CMS to make the claims adjustments affected by this policy include but are not limited to: home health PPS consolidated billing, 42 CFR 409.100; home health PPS partial episode payment adjustments, 42 CFR 409.484.235; skilled nursing facility PPS consolidated billing, 42 CFR 409.100. The statutory requirement for the home health A-B shift is found in §1812(b) of the Social Security Act.

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			
3330.1	Medicare systems shall not allow CWF initiated adjustments to be returned to the provider.					X				
3330.2	Medicare systems shall suspend for contractor intervention any CWF initiated adjustments that would otherwise be returned to the provider.	X				X				

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
3330.1 and 3330.2	A CWF initiated adjustment for purposes of these requirements is defined as any claim with an xxG type of bill.

B. Design Considerations: N/A

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: By simplifying the research of instances in which fiscal intermediary and CWF claims histories are out of synch, these changes will allow intermediaries to process their current workloads more efficiently.

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: Claims received on or after April 4, 2005</p> <p>Implementation Date: April 4, 2005</p> <p>Pre-Implementation Contact(s): Wil Gehne, (410) 786-6148, wgehne@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional Office</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
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***Unless otherwise specified, the effective date is the date of service.**