

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1707</b>	<b>Date: MARCH 27, 2009</b>
	<b>Change Request 6207</b>

**SUBJECT: Assignment of Initial Enrollment FQHCs, ESRD Facilities, and RHCs**

**I. SUMMARY OF CHANGES:** As FQHCs, ESRD facilities, and RHCs seek to enroll in the Medicare program, they should file their enrollment applications with the legacy FI or MAC that covers the State where they are located. Exceptions to the geographic assignment rule are set forth in CR 5979. This represents a shift from the legacy-world assignment policy where there existed regional and national FIs for these distinct provider types.

**New / Revised Material**

**Effective Date: April 27, 2009**

**Implementation Date: April 27, 2009**

*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
R	1/Table of Contents/General Billing Requirements
R	1/20/Provider Assignment to FIs and MACs
R	9/10.3/Claims Processing Jurisdiction for RHCs and FQHCs

**III. FUNDING:**

**SECTION A: For Fiscal Intermediaries and 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.

#### **IV. ATTACHMENTS:**

**Business Requirements**

**Manual Instruction**

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

# Attachment - Business Requirements

Pub. 100-04	Transmittal: 1707	Date: March 27, 2009	Change Request: 6207
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**SUBJECT:** Assignment of Initial Enrollment FQHCs, ESRD Facilities, and RHCs

**Effective Date:** April 27, 2009

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## I. GENERAL INFORMATION

Section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Public Law 108–173, amended Title XVIII of the Social Security Act (the Act) to add section 1874A, Contracts with Medicare Administrative Contractors (MACs). Section 1874A of the Act replaces the prior Medicare intermediary and carrier contracting authorities formerly found in sections 1816 and 1842 of the Act, respectively. CMS procured the first A/B MAC in 2006 and continues to award the 15 A/B MAC contracts. The process of moving workload from legacy contractors to the MACs has begun.

### A. Background:

The MMA repealed the provider nomination provisions of the Act. Provider nomination has been replaced with the geographic assignment rule. Generally, a provider or supplier will be assigned to the MAC that covers the State where the provider or supplier is located. Exceptions to the geographic assignment rule are described in CR 5979 (April 18, 2008).

In the legacy FI environment, FQHCs, RHCs, and ESRD facilities were concentrated within the workloads of several regional and national FIs. Regional and national contractors for FQHCs, RHCs, and ESRD facilities will not exist in the settled MAC environment. Most of the providers that were assigned to regional or national FIs represent “out-of-jurisdiction providers” (OJPs). An OJP is defined as a provider that is not currently serviced by the FI or MAC that covers the state where the provider is located. These providers will eventually be moved to their destination MACs.

### B. Policy:

#### 1. FQHCs

Most existing FQHCs and FQHC look-alikes are currently within the workload serviced by NGS Wisconsin, (workload # 00450.) The Jurisdiction 6 MAC will absorb workload 00450. FQHCs in the 00450 workload will be transferred to their destination MACs during the out-of-jurisdiction provider migration. The destination MAC will not always be the geographic MAC. For example, tribal FQHCs will be assigned to the Jurisdiction 4 MAC. As used in these business requirements a “tribal FQHC” means a Medicare FQHC operated by a tribe or tribal organization under the Indian Self-Determination Act (25 USCS 40(b)) or by an Urban Indian organization receiving funds under Title V of the Indian Health Care Improvement Act (25 USCS 13). All other freestanding FQHCs, not meeting that tribal description, will be assigned to the MAC that covers the State where the facility is located.

CMS is implementing the geographic assignment rule for initial FQHC enrollments at this point in time to avoid creating additional OJPs. A new, tribal FQHC will submit its Form CMS-855A application to

the Jurisdiction 4 MAC. A new, non-tribal FQHC will submit its initial Form CMS-855A application to the FI or MAC that covers the State where the facility is located.

Some classes of FQHCs may present latent challenges for the geographic assignment rule. However, CMS will make accommodations for these providers. For example, if an initial enrollment FQHC satellite is located in the jurisdiction of a MAC other than the audit MAC, then the geographic MAC will service the claims, and the audit MAC will service the cost report.

Provider-based FQHCs will submit their Form CMS-855A applications to the MAC or FI that services the main provider.

## **2. RHCs**

RHCs have been serviced by a limited set of regional FIs in the legacy environment. Those legacy FI workloads will be absorbed by incoming MACs. Out-of-jurisdiction RHCs will be transferred to their destination MACs during the out-of-jurisdiction provider migration.

An RHC will submit its initial Form CMS-855 application to the MAC or FI that serves the State where the RHC is located. If the RHC is provider-based, it will submit its initial Form CMS-855 application to the FI or MAC that covers the State where the main provider is located.

## **3. ESRD Facilities**

Many ESRD facilities have been serviced by a limited set of regional intermediaries in the legacy environment. Those legacy FI workloads will be absorbed by incoming MACs. Out-of-jurisdiction ESRD facilities will be transferred to their destination MACs during the out-of-jurisdiction provider migration.

An ESRD facility will submit its initial Form CMS-855 application to the MAC or FI that serves the State where the facility is located. If the ESRD facility is provider-based, it will submit its initial Form CMS-855 application to the FI or MAC that covers the State where the main provider is located.

## **4. Misfiled CMS 855-A Applications**

If a contractor receives from an FQHC, RHC or ESRD facility a Form CMS-855A initial paper application that – per the instructions above - should have been sent to a different contractor, the contractor shall not return the application to the provider pursuant to Pub.100-08, chapter 10, section 3.2. Instead, the contractor in possession of the Form CMS 855A application shall mail the Form CMS-855A application to the appropriate contractor. (A listing of contractor addresses can be found at [www.cms.hhs.gov/MedicareProviderSupEnroll](http://www.cms.hhs.gov/MedicareProviderSupEnroll).) The forwarding contractor shall also notify the provider, via any mechanism it chooses, that its application has been sent to the new contractor and that all future questions regarding the application should be directed to the new contractor.

FQHCs, RHCs, and ESRD facilities will not be able to use Internet-based PECOS for the filing of Form CMS-855A initial applications, changes of ownership, or changes of information. Only paper forms will be accepted for these transactions.



Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H C	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	that RHC.										
6207.4.1	A MAC that receives an initial Form CMS-855 application from a freestanding RHC that is not located within the MAC's geographic service area shall forward the Form CMS-855 application the FI or MAC that covers the State where the RHC is located consistent with § IB above.	X									
6207.5	An FI that receives an initial Form CMS-855 application from a freestanding ESRD facility located within the FI's geographic service area shall process and enroll that ESRD facility.			X							
6207.5.1	An FI that receives an initial Form CMS-855 application from a freestanding ESRD facility that is not located within the FI's geographic service area shall forward the Form CMS-855 application to the FI or MAC that covers the State where the ESRD facility is located consistent with § IB above.			X							
6207.6	A MAC that receives an initial Form CMS-855 application from a freestanding ESRD facility located within the MAC's geographic service area shall process and enroll that ESRD facility.	X									
6207.6.1	A MAC that receives an initial Form CMS-855 application from a freestanding ESRD facility that is not located within the MAC's geographic service area shall forward the Form CMS-855 application to the FI or MAC that covers the State where the ESRD facility is located consistent with § IB above.	X									
6207.7	Provider-based FQHCs, RHCs, and ESRD facilities shall continue to be enrolled with the FI or MAC that services the main provider.	X		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	C A R R I E R	R H C	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6207.8	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMArticles/">http://www.cms.hhs.gov/MLNMArticles/</a> shortly	X		X							

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers			
F I S S	M C S						V M S	C W F		
	<p>after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin.</p> <p>Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>									

#### IV. CONTACTS

**Pre-Implementation Contact:** Mark Zobel, 410-786-6905, [mark.zobel@cms.hhs.gov](mailto:mark.zobel@cms.hhs.gov)

**Post-Implementation Contact:** Mark Zobel, 410-786-6905, [mark.zobel@cms.hhs.gov](mailto:mark.zobel@cms.hhs.gov)

#### V. FUNDING

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

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):**

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# Medicare Claims Processing Manual

## Chapter 1 - General Billing Requirements

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**Table of Contents**  
*(Rev. 1707, 03-27-09)*

*20 – Provider Assignment to FIs and MACs*

## **20 - Provider Assignment to FIs and MACs**

**(Rev. 1707; Issued: 03-27-09; Effective: 04-027-09; Implementation: 04-27-09)**

### **A. The Process of Moving Providers from FIs to MACs**

#### **1. The General Case**

*An existing Medicare provider with a claims history will remain in its current workload assignment. As each MAC contract is awarded, the new MAC will take over workload from the carriers and FIs that serviced the state(s) in the given MAC jurisdiction. The Part A and Part B workload segments for each of the states in the given MAC jurisdiction will be moved one-by-one in the 12 months following the final award. The specific requirements associated with workload transfers will be directed through formal CMS transmittals.*

*A new provider (also known as an “initial enrollment”) will be assigned to the FI or MAC that covers the state where the provider is located, unless the assignment is directed to a non-geographic workload by §20B below.*

*A special exception exists for a “Multi-Provider Complex/Sub-Unit” relationship (ref: 42 CFR 483.5(b)). An initial enrollment for a sub-unit will be assigned to the FI or MAC that currently serves the existing parent hospital – even if the parent hospital is not presently billing in accordance with the “geographic assignment rule.” Each such case is fact-specific and will be treated on an individual basis.*

#### **2. Out of Jurisdiction Providers**

*An “out-of-jurisdiction provider” (OJP) is a provider that is not currently assigned to the A/B MAC or FI in accordance with §§B.1-5 below (including the geographic assignment rule.) For example, an individual, freestanding provider located in Maine, but currently assigned to the Wisconsin FI, would be an OJP.*

*Many legacy Part A workload segments may include a number of OJPs. Examples of how an OJP may have been assigned to the given Part A segment include:*

- a. Individual “provider nominations.” (Note MMA §911 repealed the provider nomination provisions of the Act.);*
- b. Chains being granted “single FI” status; and*
- c. Legacy-world regional and national FIs for specific provider types such as FQHCs, RHCs, and ESRD facilities.*

*New MACs will initially service some OJPs until CMS undertakes the final reassignment of all OJPs to their destination MACs based on the geographic assignment rule and its exceptions.*

*CMS will start the overall transfer of OJPs to their final destination MACs after all 15 A/B MACs have been implemented. Each move will be dependent on the then-current implementation status of the systems that support the cost report audit, claims processing, and provider enrollment functions at the departure and destination MACs.*

*Some providers will need to submit or update their Medicare enrollment record before being reassigned.*

## *B. The Settled MAC Environment*

*The “settled MAC environment” refers to the period after all OJPs have been moved to their destination MACs.*

### *1. Home Health & Hospice*

*All home health and hospice (HH&H) providers will be assigned to the MAC contracted by CMS to administer HH&H claims for the geographic locale in which the provider is physically located.*

### *2. Durable Medical Equipment*

*Each supplier of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) will submit claims to the DME MAC contracted by CMS to administer DMEPOS claims for the geographic locale in which the beneficiary permanently resides.*

### *3. Qualified Railroad Retirement Beneficiaries Entitled to Medicare*

*Physicians and other suppliers (except for DMEPOS suppliers) will continue to enroll with and bill the contractor designated by the Railroad Retirement Board (under Section 1842(g) of The Act) for Part B services furnished to these beneficiaries. Suppliers of DMEPOS will bill the DME MACs.*

### *4. Specialty Providers and Demonstrations*

*Specialty providers, and providers involved with certain demonstrations, will submit claims to a specific MAC designated by CMS. Examples of specialty providers and their corresponding MACs are:*

*Specialty Service*

*MAC Jurisdiction*

*Centralized Billing for Mass Immunizers*

*4*

*Indian Health Services/Federally*

*Recognized Tribal Providers*

*4*

*(Refer to Chapter 19 of this manual.)*

*Low Vision Demonstration*

*5,10, 11, 13,  
and 14*

*Veterans Affairs Medicare Equivalent Remittance Advice Project*

*4*

*Home Health Third Party Liability Demonstration Project*

*14*

*Independent Organ Procurement Organizations*

*10*

*Religious Non-medical*

*Health Care Institution (RNHCI)*

*10*

*Histocompatibility Lab*

*10*

## 5. *The Geographic-Assignment Rule*

*Medicare providers, physicians, and suppliers will generally be assigned to the A/B MAC that covers the state where the provider is located. This includes FQHCs, RHCs, and ESRD facilities.*

*An exception exists for qualified chain providers (QCPs). A QCP may request that its member providers be serviced by a single A/B MAC - specifically, the A/B MAC whose jurisdiction includes the QCP's home office. See 42 CFR 421.404 for QCP criteria and additional information.*

*A few providers that meet the "provider-based" criteria of 42 CFR 413.65 may present an additional exception to the geographic-assignment rule. Provider-based entities (other than HH+H providers) will be assigned to the MAC contracted by CMS to administer claims for the Medicare benefit category applicable to the provider's covered services for the geographic locale in which the main ("parent") provider is physically located.*

## **Chapter 9**

### **10.3 - Claims Processing Jurisdiction for RHCs and FQHCs**

*(Rev. 1707; Issued: 03-27-09; Effective: 04-027-09; Implementation: 04-27-09)*

*During the period of time while CMS is in the process of transitioning workload from legacy FIs and carriers to the MACs, RHCs and FQHCs will remain in their existing assignments. A legacy FI's then-current workload will be absorbed by the incoming MAC during the 12 months that follow commencement of the MAC's implementation. Enrolled RHCs and FQHCs will remain in those workloads until CMS undertakes the process of moving them to their destination MACs. An FQHC's and a RHC's destination MAC is determined by referencing Chapter 1, §20.*