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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-08 Medicare Program Integrity | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 182 | Date: JANUARY 12, 2007 |
| | Change Request 5284 |

SUBJECT: Medicaid State Agencies

I. SUMMARY OF CHANGES: To stop enrolling Medicaid State agencies as a Medicare provider or supplier and to revoke billing numbers currently in place.

NEW/REVISED MATERIAL

EFFECTIVE DATE: JANUARY 26, 2007

IMPLEMENTATION DATE: MARCH 1, 2007

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

| R/N/D | CHAPTER / SECTION / SUBSECTION / TITLE |
|--------------|---|
| R | 10/Table of Contents |
| N | 10/12.6/Medicaid State Agencies |

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

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

Attachment - Business Requirements

| | | | |
|-------------|------------------|------------------------|----------------------|
| Pub. 100-08 | Transmittal: 182 | Date: January 12, 2007 | Change Request: 5284 |
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SUBJECT: Medicaid State Agencies

Effective Date: January 26, 2007

Implementation Date: March 1, 2007

I. GENERAL INFORMATION

A. Background: Currently CMS reimburses Medicaid State agencies for covered Medicare services when the State pays physicians or other suppliers for those services when Medicare should have been the primary payer.

B. Policy: Medicaid State agencies that do not qualify as a Medicare provider or supplier of service will not be enrolled in the Medicare program nor will these organizations be allowed to maintain their Medicare billing privileges. Moreover, since Medicaid State agencies are not eligible to obtain a National Provider Identifier, Medicare will no longer be able to process claims from a State agency after May 23, 2007.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | | | | |
|--------|--|---|--------------------------------|---------------------------|---------------------------------|-----------------------|-------------|-------------|---------------------------|-------------|-------------|-------------|-------|-----|
| | | A / B M A C | D M E M A C | F I I E R | C A R R I E R | D M E R C | R H I | E D C | Shared-System Maintainers | | | | OTHER | |
| | | | | | | | | | F I S S | M C S | V M S | C M S | | |
| 5284.1 | Contractors shall deny any Medicaid State agency request for a Medicare billing number. | | | | X | | | | | | | | | NSC |
| 5284.2 | Contractors shall revoke all existing Medicaid State agency billing numbers. | | | | X | | | | | | | | | NSC |
| 5284.3 | Contractors shall give Medicaid State agencies the same appeal rights all providers and suppliers are given when an enrollment is denied or revoked. | | | | X | | | | | | | | | NSC |

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 I E R | C A R R I E R | D M E R C | R H I | E D C | Shared-System Maintainers | | | | OTHER | |
| | | | | | | | | | F I S S | M C S | V M S | C M S | | |
| | None. | | | | | | | | | | | | | |

IV. SUPPORTING INFORMATION

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

Use "Should" to denote a recommendation.

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

B. For all other recommendations and supporting information, use this space:

V. CONTACTS

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Post-Implementation Contact(s): Allen Gillespie, 410-786-5996, Allen.Gillespie@cms.hhs.gov

VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements: No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. For Medicare Administrative Contractors (MAC), use only one of the following statements: The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified 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.

Medicare Program Integrity Manual

Chapter 10 - Healthcare Provider/Supplier Enrollment

Table of Contents
(Rev. 182, 1-12-07)

12.6 - Medicaid State Agencies

12.6 - Medicaid State Agencies

(Rev. 182, Issued: 01-12-07; Effective: 01-26-07; Implementation: 03-01-07)

Only recognized providers and suppliers of services that have a National Provider Identifier (NPI) number can enroll in the Medicare program. Medicaid State agencies are not eligible to apply for an NPI. As such, Medicaid State agencies are not eligible to enroll in the Medicare program and shall not be issued billing privileges or be allowed to maintain billing privileges.

If a Medicaid State agency is enrolled or is seeking enrollment as a provider or supplier in the Medicare program, the fee-for-service contractor shall deny or revoke Medicare billing privileges. In denying a Medicaid State agency's application to enroll in the Medicare program, fee-for-service contractors shall use denial reason five (5) found in section 6.2 of this chapter. In revoking a Medicaid State agency billing privileges, a fee-for-service contractor shall use revocation reason three (3) found in section 13 of this chapter. The revocation letter should indicate that the revocation will be effective 30 days after the date of the revocation letter.