

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 245	Date: OCTOBER 27, 2006
	Change Request 5352

SUBJECT: Department of Veterans Affairs (VA) Medicare-equivalent Remittance Advice (MRA) Project: Continued Use of Professional Legacy Provider Numbers After National Provider Identifiers (NPIs) Are Fully Implemented

I. SUMMARY OF CHANGES: This CR will result in the systems changes required to continue to accept and adjudicate VA MRA Project Part B-equivalent professional claims with their project-unique legacy numbers once NPI is fully implemented.

NEW / REVISED MATERIAL

EFFECTIVE DATE: *April 1, 2007

IMPLEMENTATION DATE: April 2, 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-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

Funding for implementation activities will be provided to contractors through the regular budget process.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 245	Date: October 27, 2006	Change Request 5352
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**SUBJECT: Department of Veterans Affairs (VA) Medicare-equivalent Remittance Advice (MRA)
Project: Continued Use of Professional Legacy Provider Numbers After National Provider Identifiers (NPIs) Are Fully Implemented**

I. GENERAL INFORMATION

A. Background: Current law permits the VA to collect appropriate Medicare coinsurance and deductible amounts from supplemental insurers for claims for supplies and services ordinarily covered by Medicare but furnished

1. At VA facilities; and
2. For veterans eligible to receive both VA health and Medicare benefits and also having Medicare supplemental insurance.

To facilitate this process, CMS entered into an interagency agreement with the VA whereby CMS will help the VA work with a CMS contractor to adjudicate claims for these services to produce remittance advices equivalent to those ordinarily produced for Medicare claims. The remittance advices, sent to the supplemental insurers, will help the insurers determine payment amounts they owe to the VA. Medicare does not pay these claims, but the remittance advices show how much Medicare would have paid had the claims been payable by Medicare along with the applicable deductibles and coinsurance. TrailBlazer was the contractor selected to perform the work for this project, but adjudicating these claims typically also involves the Common Working File (CWF), the Multicarrier System (MCS), and the Fiscal Intermediary Shared System (FISS), and changes are made to these systems from time to time to accommodate the VA claims. The VA funds all of the work on this project, including systems changes.

While equivalent to Medicare claims in overall appearance and the nature of the services rendered, these VA claims contain unique elements to ensure that they are processed appropriately and apart from Medicare claims, and in particular that payment is not made. Among these characteristics are a demo code and provider numbers which are unique to this project. For claims for Part B-equivalent professional services, there are:

1. A group number consisting of
 - a. “VA0” to identify the claim as coming from the VA.
 - b. A three-digit number that corresponds to a particular VA facility, such as 554 for Denver.

Thus, for example, the group number for a VA MRA project claim for a service rendered at the VA Denver facility would be VA0554.

2. An individual practitioner number consisting of
 - a “V” to identify the claim as coming from the VA.
 - b. The applicable two-digit CMS specialty code, such as “01” for general surgery.
 - c. The three-digit VA facility identifier, as in the group number.

Thus, for example, the individual practitioner number for a general surgeon rendering a service at the VA Denver facility would be V01554.

However, once NPI is fully implemented, and CMS accepts only those claims using NPIs to identify providers, accommodations must be made to continue to process the VA MRA project claims. The purpose of this change request (CR) is to implement the systems changes needed to continue to process the VA MRA project professional claims when the VA submits these claims using the MRA provider enumeration (i.e., legacy numbering) scheme and does not include NPIs on the claim. The systems changes to be completed were identified in the analysis CR for this effort, 5223, to be implemented in January 2007. Note that these systems changes are for only the VA MRA project claims and do not address the processing of other claims the VA may submit to CMS, such as those for services rendered to Medicare beneficiaries who are not veterans and received emergency medical care at VA facilities. Further, another separate CR, 5240, addresses enumeration considerations for VA MRA Project Part A/Institutional-equivalent claims.

Policy: When a Medicare beneficiary also eligible for veterans health benefits elects to obtain his/her health care at a VA facility, law entitles the VA to collect from the beneficiary’s supplemental insurer the coinsurance and deductibles that would have been payable had the beneficiary instead received services from a Medicare provider (law, however, prohibits Medicare from paying for these claims). Through an interagency agreement between CMS and the VA, CMS systems adjudicate the VA claims on a no-pay basis to determine the amounts Medicare would have paid for equivalent services rendered by Medicare providers along with the coinsurance and deductible amounts applicable.

Part of the checks and balances implemented to ensure that the VA MRA project claims do not pay involve a provider enumeration scheme unique to the project. However, unless accommodations are made for these claims, Medicare systems will be unable to process them once NPI is fully implemented in May 2007: the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that all entities covered under HIPAA use only NPIs to identify providers on HIPAA-covered transactions, including electronically submitted health care claim transactions; Medicare is a covered entity and will accordingly comply.

Although loosely termed “claims” because of their general Medicare-equivalent appearance, the MRA project transactions do not actually claim payment; they are not true health care claim transactions and do not match any of the transactions specified under HIPAA. Therefore these transactions are not covered under HIPAA and may be processed according to other considerations, such as continuing to ensure that payment is not made and CMS workload. CMS has determined that it is in its best interests to have the VA continue to submit the MRA project transactions with its legacy numbers instead of NPIs; however,

accepting and adjudicating these NPI-lacking transactions will require systems changes to accommodate them in an NPI-only environment.

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	
5352.1	Contractors shall implement the systems changes required to continue to accept and adjudicate professional Part B claims for the VA MRA project when they contain their current legacy provider numbers and no NPIs.			X			X		X	A/B MAC
5352.2	Contractors shall provide to CMS an hourly estimate, broken down by contract, for the work to be completed for 5352.1.			X			X		X	A/B MAC

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				Other
						F I S S	M C S	V M S	C W F	
	None.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
N/A	

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
All	CR 5223

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: CR 5223

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: *April 1, 2007 Implementation Date: April 2, 2007 Pre-Implementation Contact(s): Claudette Sikora Center for Medicare Management Provider Billing Group Division of Practitioner Claims Processing 410-786-5618 Post-Implementation Contact(s): Same	Funding for implementation activities will be provided to contractors through the regular budget process.
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