

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 247	Date: NOVEMBER 3, 2006
	Change Request 5341

Subject: Returning Paper Claims Received From Clearinghouses

I. SUMMARY OF CHANGES: When contractors identify paper claims that have been submitted by the provider's clearinghouse, the contractors shall return the claims back to the clearinghouse.

New/Revised Material

Effective Date: January 1, 2007

Implementation Date: January 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:

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

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 247	Date: November 3, 2006	Change Request: 5341
-------------	------------------	------------------------	----------------------

SUBJECT: Returning Paper Claims Received From Clearinghouses

Effective Date: January 1, 2007

Implementation Date: January 2, 2007

I. GENERAL INFORMATION

A. Background: Providers often contract with clearinghouses to comply with claims submission mandates that could otherwise require system upgrades or replacement. When there is such an arrangement, claims sent to Medicare on behalf of a provider by a clearinghouse are required to be submitted electronically. However, there is evidence that some clearinghouses are routinely submitting claims on paper without the provider’s knowledge.

Although sections 90.2 and 90.3 of Chapter 24 of the Medicare Claims Processing Manual (Pub. 100-04) contain situations when a provider must or may submit some or all claims on paper, the Administrative Simplification Compliance Act (ASCA) outlines very specific and limited instances where providers are allowed to submit paper claims. While providers that meet certain criteria may be permitted to submit some or all of their claims on paper, HIPAA covered entities other than providers are not eligible for an exemption from the ASCA requirements for electronic submission of claims being sent to Medicare.

B. Policy: Section 3 of ASCA, Pub.L. 107-105, the implementing regulation at 42 CFR 424, and the Medicare Claims Processing Manual Chapter 24, §§ 90-90.6 and its Exhibits, require submission of claims to Medicare electronically, except in limited situations.

Contractors must be attentive to the paper claims they receive in order to enforce ASCA provisions. In addition, contractors must also be aware of the source of the paper claims they receive. When a contractor can detect that the source of the paper claim is a clearinghouse, the claim must be manually returned to the source of the claim.

II. BUSINESS REQUIREMENTS

Use “*Shall*” to denote a mandatory requirement

Requirement Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A	D	F	C	D	R	Shared-System Maintainers				OTHER
		/	M	I	A	M	H	F	M	V	C	
		B	E		R	R	I	I	C	M	W	
		M	M		I	C		S	S	S	F	
		A	A		E							
		C	C		R							
5341.1	When detected, contractors shall manually return paper claims to the clearinghouse indicating that the claims were received in an improper format.	X	X	X	X	X	X					
5341.2	Contractors shall promote Free Billing Software as an alternative for electronic	X	X	X	X	X	X					

Requirement Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A	D	F	C	D	R	Shared-System Maintainers				OTHER
		/	M	I	A	M	H	F	M	V	C	
		B	E		R	E	H	I	C	M	W	
					R	R	I	S	S	S	F	
		M	M		I	C		S	S	S	F	
		A	A		E							
		C	C		R							
	submission of claims submitted on paper.											

III. PROVIDER EDUCATION

Requirement Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A	D	F	C	D	R	Shared-System Maintainers				OTHER
		/	M	I	A	M	H	F	M	V	C	
		B	E		R	E	H	I	C	M	W	
					R	R	I	S	S	S	F	
		M	M		I	C		S	S	S	F	
		A	A		E							
		C	C		R							
5341.3	A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. 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 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. 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.	X	X	X	X	X	X					

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 the space below:

V. CONTACTS

Pre-Implementation Contact(s): Brian Reitz, 410-786-5001, Brian.Reitz@cms.hhs.gov

Post-Implementation Contact(s): Brian Reitz, 410-786-5001, Brian.Reitz@cms.hhs.gov

VI. FUNDING

A. For TITLE XVIII Contractors, 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. We do 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.