

CMS Manual System

Department of Health &
Human Services (DHHS)

Pub 100-05 Medicare Secondary Payer

Centers for Medicare &
Medicaid Services (CMS)

Transmittal 39

Date: OCTOBER 21, 2005

Change Request 4088

SUBJECT: Request to Change Lead Contractor

I. SUMMARY OF CHANGES: This instruction limits the timeframe in which lead contractors shall request a change to the lead contractor assignment. The Internet Online Manual reference to Fiscal Intermediary (FIs) and Carriers is being changed to Contractors in light of the MAC contracting environment. Also minor wording changes (e.g. change "must" to "shall", etc) and clarification of existing instructions.

NEW/REVISED MATERIAL

EFFECTIVE DATE: October 01, 2005

IMPLEMENTATION DATE: November 19, 2005

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/revise 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	5/TOC
R	5/10 Coordination with the Coordination of Benefits Contractor (COBC)
R	5/10.1 Contractors MSP Auxiliary File Update Responsibility
R	5/10.2 COBC Electronic Correspondence Referral System (ECSR)
R	5/10.3 Providing Written Documents to the COBC
R	5/10.4 Contractor Record Retention
R	5/10.5 Notification to Contractor of MSP Auxiliary File Updates
R	5/10.6 Referring Calls to COBC
R	5/10.7 Changes in Contractor Initial MSP Development

	Activities
R	5/10.8 Additional Activities Arranged by Non-GHP MSP Type
R	5/10.9 COBC Numbers

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

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: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

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

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: October 1, 2005</p> <p>Implementation Date: November 19, 2005</p> <p>Pre-Implementation Contact(s): Patricia Murphy at 410-786-8123</p> <p>Post-Implementation Contact(s): COBC Contractor at 1-800-999-1118</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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*Unless otherwise specified, the effective date is the date of service.

Medicare Secondary Payer (MSP) Manual

Chapter 5 - Contractor Prepayment Processing Requirements

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10 - Coordination with the Coordination of Benefits Contractor (COBC)
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A - Transfer of Initial Medicare Secondary Payer (MSP) Development Activities to the Coordination of Benefits Contractor (COBC)

On November 1, 1999, CMS awarded the COB Contract. The COBC consolidates activities that support the collection, management, and reporting of all other health insurance coverage of Medicare beneficiaries, as well as all insurance coverage obligated to pay primary to Medicare. In April 2000, the COBC implemented the first two phases of the contract, which included the Initial Enrollment Questionnaire and the IRS/SSA/CMS Data Match. Effective January 1, 2001, the COBC assumed responsibility for virtually all initial MSP development activities formerly performed *by* contractors. The COBC is charged with ensuring the accuracy and timeliness of updates to the Common Working File (CWF) MSP auxiliary file. The COBC does not process claims, nor handle any mistaken payment recoveries or claims specific inquiries (telephone or written). The COBC is responsible for developing to determine the existence or validity of MSP for Medicare beneficiaries. The COBC handles all MSP related inquiries, including those seeking general MSP information, but not those related to specific claims or recoveries. These *inquiries (verbal and written)* can come from any source, including but not limited to beneficiaries, attorneys/beneficiary representatives, employers, insurers, providers, suppliers and *contractors*.

The COBC is primarily an information gathering entity. The COBC is dependent upon various sources to collect this information. With limited exceptions (*e.g., claim clarification with provider to avoid returning the claim to the provider (RTP)*), *contractors* are no longer responsible for initiating MSP development and making MSP determinations. It is imperative that *all* information contractors receive that might have MSP implications be forwarded to the COBC in a timely and accurate fashion. Only with this timely and accurate information can the COBC evaluate all relevant information to make the correct MSP determination and appropriately update CWF *for proper* claims *adjudication*. Once the MSP record has been established on CWF by the COBC, *contractors shall* continue to be responsible for all *MSP* activities related to *the* identification and recovery of MSP-related debts.

There must be a very close working relationship between the COBC and *the contractors*. The COBC Customer Service number is 1-800-999-1118. This number is available for use from anywhere in the United States. The COBC Customer Service number *is operational* 8:00 a.m. to 8:00 p.m. eastern standard time, Monday through Friday except holidays. *Contractors shall use this number for general inquiries only. Contractors shall give this number to callers (exclusive of beneficiaries) attempting to contact the COBC. Contractors shall also utilize this number to transfer calls to the COBC (exclusive of beneficiaries). If the contractor is unable to transfer a Medicare beneficiary to the COBC, the contractor shall provide the 1-800-MEDICARE toll free number to the beneficiary. Contractor inquiries related to specific work activities shall contact their COB Consortia representative (See §10.2). CMS will provide the COBC with a list of*

names, private phone numbers, and fax numbers of each contractor's primary and backup MSP contact *for COBC follow-up as necessary with the contractor.*

The following provides a description of the activities that are included in initial MSP development and the necessary action(s) of *contractors*.

10.1 – *Contractors* MSP Auxiliary File Update Responsibility

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

The capability to update the CWF MSP auxiliary file is, essentially, a function of only the COBC. *Contractors* do not have the capability to delete any MSP auxiliary file records, including those they have established. If they believe a record should be changed or deleted, they *shall* use the COBC Electronic Correspondence Referral System (ECRS) (discussed in §10.2.1).

Contractors retain the responsibility of adding termination dates to MSP auxiliary records already established on CWF with a "Y" validity indicator, where there is no discrepancy in the validity of the information contained on CWF. *Contractors* do not have the capability to alter an existing termination date.

There are only *three* instances in which the *contractor shall* retain the capability to update CWF. They are:

1 - The *contractor* receives a phone call or correspondence from an attorney or other beneficiary representative, beneficiary, third party payer, provider, another insurer's explanation of benefits or other source that establishes, exclusive of any further required development or investigation, that MSP no longer applies.

Examples of such contacts include a telephone call from a beneficiary to report retirement or cessation of group health insurance or a letter that contains acceptable information that personal injury protection benefits have been exhausted. The *contractor shall* post a termination date to the MSP auxiliary record using a "Y" validity indicator. They *shall* update CWF within the lesser of:

- Ten (10) calendar days from completion of the evaluation, or
- Thirty (30) calendar days of the mailroom date-stamped receipt/date of phone call, as applicable

EXAMPLE 1

Scenario

Mr. Doe is calling to report that his employer group health coverage has ended.

***Contractor* Action**

The contractor shall check for a matching auxiliary record on CWF and terminate the record if no conflicting data are present. *If the contractor cannot add a termination date, the contractor shall submit a CWF assistance request (See §10.2.1). The contractor shall* not transfer the call to the COBC.

EXAMPLE 2

Scenario

Mrs. X is calling to report that she has retired.

Contractor Action

The contractor shall check for a matching auxiliary record on CWF and terminate the record if no conflicting data are present. *If the contractor cannot add a termination date or if the date on CWF needs to be altered, the contractor shall submit a CWF assistance request (See §10.2.1). The contractor shall* not transfer the call to the COBC.

EXAMPLE 3

Scenario

The *contractor* receives written correspondence that benefits are exhausted for an automobile case.

Contractor Action

- *The contractor shall* check for a matching auxiliary record on CWF. *If the contractor* is the lead, it *shall* terminate in accordance with existing guidelines (e.g., accounting of moneys spent). *If the contractor cannot add a termination date or if the termination date on CWF needs to be altered, the contractor shall submit a CWF assistance request (See §10.2.1). The contractor shall not forward the correspondence to the COBC.*
- If a *contractor* is not the lead on the case, it *shall* refer the correspondence to the lead contractor *identified on the MSP record on the CWF*. The *contractor shall* not forward the correspondence to the COBC.

EXAMPLE 4

Scenario

Union Hospital is calling to report that the *group health plan* MSP period contained on the CWF for beneficiary X should be terminated.

Contractor Action

The contractor shall check for matching auxiliary record on CWF and terminate if no conflict in evidence is presented. *If the contractor cannot add a termination date or if the date on CWF needs to be altered, the contractor shall submit a CWF assistance request (See §10.2.1). The contractor shall* not transfer the call to the COBC.

EXAMPLE 5

Scenario

The *contractor* receives information that a liability case is no longer being pursued.

Contractor Action

The lead contractor shall check for matching auxiliary record on CWF *and* forward a *CWF assistance request* to the COBC for deletion via ECRS (*See §10.2.1*). *If the*

contractor is not the lead, the contractor shall forward the information to the lead contractor as indicated on the MSP record.

EXAMPLE 6

Scenario

The contractor receives information that a liability case has reached a settlement, judgment or award.

Contractor Action

Contractor shall enter actual date of settlement, judgment or award in the termination date field.

2 - The *contractor* receives a claim for secondary benefits and could, without further development (for example, the explanation of benefits from another insurer or third party payer contains all necessary data), add an MSP occurrence and pay the secondary claim.

The *contractor shall* use a validity indicator of "I" to add any new MSP occurrences (only if no MSP record with the same MSP type already exists on CWF with an effective date within one hundred (100) days of the effective date of the incoming "I" record). *The contractor shall* update CWF within ten (10) calendar days from completion of the evaluation. It *shall not* submit a new record with a "Y" or any record with an "N" validity indicator.

3 - The *contractor* receives a claim for conditional payment, and the claim contains sufficient information to create an "I" record without further development.

The contractor shall add the MSP occurrence using an "I" validity indicator. *The contractor shall* update CWF within ten (10) calendar days from completion of the evaluation.

The *contractor* transmits "I" records to CWF via the current HUSP transaction. The CWF treats the "I" validity indicator the same as a "Y" validity indicator when *contractors* process claims. "I" records *shall* only be submitted to CWF if no MSP record with the same MSP type already exists on CWF with an effective date within one hundred (100) *calendar* days of the effective date of the incoming "I" record. "I" records submitted to CWF that fail these edit criteria *shall* be rejected with an SP 20 error code.

The COBC shall receive a trigger from the CWF when an "I" record is transmitted and applied. The COBC develops and confirms all "I" maintenance transactions established by the *contractor*. If the COBC has not received information to the contrary within one hundred (100) calendar days, *the "I" validity indicator will be converted* to a "Y". If the COBC develops and determines there is no MSP, the COBC *will delete* the "I" record.

An "I" record should never be established when the mandatory fields of information are not readily available to the *contractor* on its claim, *associated* attachment (*e.g., other payer's explanation of benefits (EOB) paid*) or unsolicited refund documentation. If the *contractor* has the actual date that Medicare became secondary payer *or the date of the accident or incident*, it shall use that as the MSP effective date. If that information is not

available, *the contractor* shall use the Part A entitlement date as the MSP effective date. *Contractors shall add termination* dates when an "I" record is initially established, *where applicable*. *A contractor shall not add a* termination date to an already established "I" record.

The following are mandatory fields for MSP records with a validity indicator of "Y" and "I":

- Health Insurance Claim Number;
- MSP code;
- Validity indicator;
- MSP effective date;
- Contractor identification number;
- Insurer name;
- Patient relationship; and
- Insurance type.

Chapter 6, §40.8, contains the CWF MSP utilization error codes, descriptions, and resolution for the *contractor's* use in correcting MSP utilization error codes.

10.2 - COBC Electronic Correspondence Referral System (ECRS)

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

As of January 1, 2001, the COBC assumed responsibility for virtually all activities related to establishing MSP periods of coverage at CWF that result from initial MSP development activities. Since *contractors* receive a great deal of MSP information, a system was needed to transfer that information to the COBC for its evaluation to determine if MSP development is necessary. In addition, since *the contractors' ability* to send update transactions to CWF had been severely restricted, there was a need for a system to allow it to easily submit requests to the COBC to apply changes to existing MSP records at CWF. In order to meet these requirements, the COBC developed and maintains a mainframe Customer Information Control System (CICS) application. This application, the *ECRS allows contractor* MSP representatives *and Regional Office MSP staff* to fill out various online forms and electronically transmit *information to the COBC*.

The ECRS is operational from 8:00 a.m. to 8:00 p.m. (EST), excluding weekends and holidays. The *contractors'* data centers *shall* be notified during extended periods of ECRS downtime. Problems encountered by data centers during testing should be reported to GHI's Help Desk technical support staff at (212) 615-4357. *E-mailed questions or issues should be forwarded to the COBC via Internet address at COB@ghimedicare.com*.

Contractors shall not contact GHI's help desk for routine ECRS processing issues. They *shall* report connection problems or systems failures or crashes directly to GHI's technical support staff at 212-615-4357. If *contractors* are unable to receive technical

assistance from GHI's Help Desk, or *the* issue has not been resolved, please contact *Alberta Smythe (COBC) at (646) 458-6694 or other COBC designee*. If *contractors are still unable to* obtain information or the issue continues to go unresolved, please contact Pat Murphy (CMS) at 410-786-8123 *or other CMS CO designee*.

Effective March 2005, CMS started a demonstration project using Recovery Audit Contractors (RAC) to provide recovery audit services in the states of California and Florida to identify overpayments made as a result of Medicare Secondary Payer (MSP) provisions under the Medicare program for Part A and B of Title XVIII of the Social Security Act as outlined in the **Statement of Work for the Recovery Audit Contractors (RAC) Participating in the Demonstration (Medicare Secondary Payer, J-1)**. The RAC shall follow the instructions for ECRS User Guide for the RAC, which shall be found in the Demonstration Manual.

A - COBC Consortia Contacts

There are only four instances in which the *contractor shall* contact its *COBC* consortia representative. They are *as follows*:

1. Congressional inquiries;

Congressional inquiries shall not be referred to the COBC using ECRS. If the question(s) posed in the congressional inquiry fall solely under the purview of the COBC, the contractor shall telephone the COBC dedicated Congressional contact, and notify him/her that they are faxing a copy of the inquiry. The contractor shall close these items in their correspondence control system. If the inquiry contains some questions that the contractor would appropriately answer and others that the COBC would appropriately answer, the contractor shall be responsible for sending a consolidated response to this inquiry. Contractors shall contact the dedicated COBC Congressional contact to request the necessary language to respond to the COBC's portion of the inquiry. The COBC shall provide the necessary language within five (5) business days of the contractor's request.

2. Preparing background information for a hearing;

If a contractor is preparing background information in association with a hearing, it shall contact its COBC consortia contact if further information, development or research is warranted to validate the existence or nonexistence of an MSP situation. The COBC shall handle these with the same urgency as a congressional inquiry.

3. ECRS processing issues;

Contractors shall contact their COBC consortia representative when experiencing ECRS processing issues. For example, submission of ECRS transactions; including, but limited to cases where contractors receive ECRS errors/rejects which prevent successful transmissions to the COBC or in cases where there is difficulty understanding the information or instructions contained within the ECRS user manual or quick reference guide. Contractors should also e-mail their ECRS processing issues to the COBC at cob@ghimedicare.com. If

contractors do not receive a response to their inquiry within five (5) business days, contractors shall contact their RO MSP Coordinator.

Contractors shall not send E-mails for those issues listed below in #4. In addition, E-mails shall not contain protected health information (e.g., HICN).

4. *Clarification of ECRS responses; and*

The *contractor shall* contact their COBC consortia representative in cases where clarification of a particular ECRS status *or COBC action taken* is necessary to process a pending claim or unsolicited/voluntary refund. *If contractors do not receive a response to their inquiry or issue within seven (7) business days, they should contact their RO for assistance.*

5. Status of ECRS CWF assistance request.

The *contractor shall* allow fifteen (15) business days for the COBC to respond to their CWF assistance request. If, after fifteen (15) business days, there has been no update to CWF or a response to their request, they *shall contact their COBC consortia representative for assistance. If contractors do not receive a response to their inquiry or issue within seven (7) business days, they should contact their RO for assistance.*

Contractors should contact their CMS Regional Office MSP Representative for the most current list of Consortia Representatives.

B - MSP Activities

The current ECRS User Guide is contained in Attachment 1 of this chapter to assist *contractors* to effectively communicate their MSP inquiries and CWF Assistance requests.

Problems with an ECRS access code *shall* be reported to Alberta Smythe (*COBC*) at (646) 458-6694 *or other COBC designee*. If *contractors are still unable to* obtain information or the issue continues to go unresolved, please contact Pat Murphy (CMS) at 410-786-8123 *or other CMS CO designee*.

10.2.1 - ECRS Functional Description

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

- *Contractor* signs on to its Medicare CICS region on its processing data center's mainframe.
- *Contractor* types in the transaction name of the new COB information exchange application and hits Enter.
- A menu displays from which *the contractor chooses from several options. These options allow the contractor to report MSP information, to request a change to an existing MSP record on the CWF, or to identify lead contractor assignment.*

- The applicable detail screen displays and *the contractor* enters data for its request. The application has built-in edits so that required data elements are entered before the request can be completed. Edits permit only valid values to be entered in each field. The COBC provides the *contractors* a user manual for the application.
- Once the *contractor* has completed data entry, it presses an assigned key and the information is stored on a database table or file on the COBC's mainframe.
- In the next batch cycle at the COBC site, this request is processed. The COBC's system updates a status field on the request in ECRS. Once a final determination has been made, the COBC updates CWF as appropriate.
- *Contractors should* log back on to ECRS to check on the status of their request, including final determination.
- The ECRS system provides *contractors* the ability to create on-screen reports (for example, to do consolidated status checks on all their referrals or lead contractor assignments).
- *Contractor* receives MSP lead information or determines that a change to an existing CWF MSP record (other than the addition of a termination date) is needed.

In general, there are two ECRS submission processes. The MSP inquiry process is used to transmit information to the COBC where no related MSP record exists on the CWF. The CWF assistance request is used to transmit information to the COBC to modify or delete existing MSP information currently residing on the CWF for any type of MSP situation (including CMS Data Match records). Contractors shall refer to the ECRS User Guide-Attachment 1 for step-by-step instructions on how to submit MSP inquiry and CWF assistance request transactions to the COBC, and how to perform status inquiries on previously submitted transactions.

10.2.2 - Technical Overview - Impact on *Contractor* Data Centers

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

This CICS application functions much like the CWF Health Insurance Master Record (HIMR) application. This is an online CICS transaction running in a mainframe environment. Different components of this application execute on the COBC's mainframe and the *contractor* data centers' mainframes. Software modules were developed in COBOL II or COBOL OS390. No files were created or stored at the *contractor* data center. No batch processing is required by the *contractor* data center. *Contractors* can access the system with a standard, mainframe terminal emulator. A PC workstation is not required.

The connection to the COBC's data center from the *contractors'* data centers is accomplished using the ATT Global Network (once known as Advantis). All *contractors*, and the COBC, have access to this network and use it to transmit data to the CMS data center and CWF hosts. To establish a link or connection to the COB data center through this network, Virtual Total Access Method (VTAM) node

definitions and ATT Global Network accounts were established. This required some action on the part of each data center.

10.3 - Providing Written Documents to the COBC

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

Contractors do not routinely submit paper documentation to the COBC. However, if requested by the COBC, they *shall* submit written supporting documentation via fax to the COBC within five (5) business days of their receipt of the request. *The COBC shall* contact the contractor via phone for fax request. The COBC fax number is (646) 458-6762.

There are limited situations where the contractor should mail paper documents to the COBC. Contractors shall forward to the COBC, within forty-five (45) business days of their mailroom date-stamped receipt, *any development* form originally sent from the COBC that the *contractor* inadvertently received. In those *situations, where the contractor is permitted to* mail paper documents to the COBC, it uses the following address:

MEDICARE - Coordination of Benefits Contractor
MSP Claims Investigation Project
P.O. Box 5041
New York, NY 10274-5041

10.4 – *Contractor* Record Retention

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

Contractors are responsible for retaining paper documentation that they do not forward to the COBC following current CMS document retention guidelines, including the assignment of a document control number for their use in subsequent retrieval. However, also see §10.7, which requires the contractor receiving a liability, no-fault or workers' compensation inquiry to forward all associated documentation to the designated lead contractor.

10.5 - Notification to *Contractor* of MSP Auxiliary File Updates

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

Contractors have the capability to log on to ECRS daily to generate a daily ECRS report. The daily ECRS report shows the status of referrals submitted through ECRS. The daily ECRS report also contains the status on beneficiaries for which the COBC has made a change in the MSP auxiliary record and/or for which the *contractor should* have an interest. For example, the ECRS report reflects an inquiry sent to the COBC on this beneficiary in the past, or that CWF indicates it has processed a claim for this beneficiary. The COBC may not always be aware that the *contractor* has an interest in a particular beneficiary. **To avoid excessive burden to Medicare**

contractors, CMS later developed an electronic notification process (See §30.4) to alert contractors of record when an MSP auxiliary record is created or changed for a beneficiary. The implementation of the electronic notification process does not preclude contractors from checking ECRS for submission statuses. When the contractor receives this alert, the contractor should check CWF to determine the exact update that has been made by the COBC. Contractors shall be cognizant that the CM (i.e., completed) status in ECRS and the associated ECRS completion date is the same as the CWF maintenance date. Contractors shall use this date to timely resolve pending correspondence and other such workloads to be in compliance with the CMS 45 calendar day correspondence timeframe or other prescribed timeframes for designated MSP workloads.

10.6 - Referring Calls to the COBC

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

The COBC Customer Service number is (800) 999-1118. *All questions on any of the activities listed in §10.7 and §10.8 shall appropriately go directly to the COBC. Contractors shall offer to transfer telephone calls on any of the activities listed in §10.7 and §10.8 to the COBC Customer Service number. Where the contractor phone system has the capability, it shall transfer the caller to the COBC. If the contractor does not have this capability, it shall transfer the call through a manual transfer process that does not require the caller to dial another number. If it has neither capability, it shall take the information from the caller and refer the issue to the COBC via ECRS within two (2) calendar days of receipt of phone call. Also, it shall provide the caller (exclusive of beneficiaries) with the COB Contractor's toll-free Customer Service number and direct the caller to place any follow-up calls to the COBC. The contractor shall always provide this number to the caller (exclusive of beneficiaries). Medicare beneficiaries who wish to contact the COBC shall be directed to 1-800-MEDICARE (1-800-633-4227) where they will be transferred to the COBC. TTY users should call 1-877-486-2048.*

10.7 - Changes in Contractor Initial MSP Development Activities

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

As of January 1, 2001, contractors no longer perform MSP development (that is, investigation to determine if another payer is primary to Medicare, including the development activities associated with adding or updating a MSP record on CWF) related to the activities listed below. Contractors shall still handle inquiries that are claims specific. The COBC does not handle Veterans Administration situations.

The COBC is the first point of contact for all initial MSP development. The COBC uses a variety of investigational tools, such as MSP questionnaires, telephone contacts, and data exchanges, to solicit the information necessary to determine if there

is an MSP situation. It has sole responsibility, with exceptions noted in §10.1, for establishing CWF MSP records to reflect MSP situations.

In no-fault, workers' compensation, and liability situations, the COBC notifies the beneficiary of Medicare's potential recovery right as described in §10.8.1, §10.8.2, and §10.8.3. The COBC determines the lead contractor pursuant to CMS' guidelines and forwards all case documentation within its possession to the lead contractor. For recovery efforts in non-GHP situations, once an MSP record has been established, the COBC advises the beneficiary, attorney or other beneficiary representative, and/or potential or actual liable party that they will be contacted by the lead contractor for further recovery case development. If the COBC is unsuccessful in its attempts to contact the beneficiary, attorney, or other beneficiary representative based on the information it received from the *contractor*, the COBC notifies the lead contractor if there is sufficient information to identify the lead contractor or notifies the referring contractor if there is insufficient information to identify the lead contractor. The referring *contractor*, whether the lead or not, follows up as appropriate and *re-refers* the issue to the COBC, if necessary.

In no-fault, workers' compensation, and liability situations, the COBC indicates the lead contractor in ECRS. The referring *contractor* can check ECRS daily to determine the lead contractor in instances where it sent the initial referral through ECRS to the COBC. It can also query ECRS to determine the lead for any established *non-GHP* situation. The *contractor* that has documentation related to the case but is not the lead contractor *shall* send all original documents (exclusive of claims) to the lead contractor within five (5) calendar days of its CWF update. Documentation includes any materials it received or developed.

In cases where employer information is not pertinent (liability and no-fault), the COBC enters attorney or other beneficiary representative information, if appropriate, in the employer name and address field of the CWF MSP auxiliary record.

Contractors shall check ECRS to determine if the beneficiary representative is an attorney or non-attorney.

A - Secondary Claims Development Process

If the *contractor* receives a secondary claim for which there is no related CWF MSP auxiliary record and the claim contains sufficient information to create an "I" record, the *contractor* follows the instructions in §10.1. If the *contractor* receives a claim for secondary payment that does not contain sufficient information to create an MSP record with an "I" validity indicator, *the contractor shall* submit an MSP *inquiry* to the COBC *for additional development*, via ECRS within *one (1) business day of processing the claim (See §10.2.1)*. *The contractor shall process* the claim in accordance with its existing claims processing guidelines. This could include, for example, returning the claim to the provider (RTP), pending the claim until the COBC development is complete, or denying the claim.

B - Self-Reporting/42 CFR 411.25 Development Process

Contractors are often contacted by various sources that indicate the possibility of primary coverage other than Medicare. These contacts are referred to as "self-

reports." Self-reports can cover the full spectrum of MSP situations. For example, the *contractor* may be contacted *or receive correspondence* related to an accident or illness on behalf of the beneficiary for which auto, no-fault, workers' compensation (including black lung), or other liability insurance *should* be primary. Similarly, it may receive notification from an insurer that the *contractor* has paid a claim for which primary payment of services are the responsibility of a third party payer, pursuant to 42 CFR 411.25. It forwards all such self-reports and notifications under 42 CFR 411.25 to the COBC. The *contractor* transfers all telephone self-reports and 411.25 notifications to the COBC using the instructions in §10.6. It refers written self-reports and 411.25 notifications to the COBC using ECRS.

C - Value, Condition, and Occurrence Code Development for FIs

Contractors continue to handle all claims containing condition codes under their current guidelines. As of January 1, 2001, the COBC began receiving an automatic trigger from CWF for claims filed with a condition code of "08" (Beneficiary would not provide Information Concerning Other Insurance Coverage). The COBC develops these claims with the beneficiary. Generally, no additional development is necessary for claims containing MSP condition codes other than "08". However, if a *contractor* receives a claim with condition code 10, 28, 29, D7, and D8, and further development is required, it submits an MSP *inquiry via ECRS within one (1) business day of processing the claim (See §10.2.1)*.

Contractors process claims that are billed "conditionally." An MSP conditional payment is defined as a claim billed with a value code of 12, 13, 14, 15, 16, 41, 42, 43, or 47 with six zeroes (0000.00) entered in the amount field for which the provider is claiming a conditional payment because the other insurance has substantially delayed payment or has denied payment. *Additionally, contractors* process claims containing occurrence codes 01-04 and 24 using their current processing guidelines. If there is no MSP record on CWF related to this billing incident, and the *contractor* has sufficient information from the claim submission, it follows the instructions in §10.1. *In situations where the contractor is unable to add an "I" validity indicator record to the CWF as a result of insufficient information on the incoming claim and/or associated attachments, the contractor shall submit an MSP inquiry via ECRS within one (1) business day of processing the claim (See §10.2.1). The contractor shall process* the claim in accordance with its existing claims processing guidelines. This could include, for example, returning the claim to the provider (RTP), pending the claim until the COBC development is complete, or denying the claim.

D - Box 10 of the Form CMS-1500 Development for Contractor

Box 10 on Form CMS-1500 or equivalent electronic media claims when checked indicates that the claims information being submitted may be related to a possible traumatic injury, accident, or illness. *Contractors are no longer responsible for submitting* this information via the ECRS for *COBC* development. This instruction also applies to MSP information supplied on Forms CMS-1490S and CMS-1491.

For questions it receives on the completion of *Box* 10, the *contractor* shall refer the inquirer to the COBC Customer Service number as instructed in §10.6.

10.8 - Additional Activities Arranged by Non-GHP MSP Type

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

Contractors retain the responsibility of handling phone and written inquiries related to existing no-fault insurance (automobile no-fault insurance of all types, including personal injury protection/med-pay), workers' compensation (WC), and liability cases, unless the phone call or written correspondence reveals information discrepant with that on CWF.

The COBC *shall* handle all calls and written correspondence where a beneficiary, third party payer, provider, or attorney is initially reporting the existence of a no-fault, WC, or liability case. The COBC *shall* develop all information necessary to establish a MSP occurrence. These auxiliary records *shall* appear on CWF and the ECRS lead contractor listing within 24-48 hours of being established on the CWF. The COBC *shall identify the lead contractor* and advise the attorney and/or third party payer *accordingly*. The COBC *shall* also advise the attorney to forward a signed beneficiary release to establish the case file *to the lead contractor*. The COBC *shall* not maintain any case information, once a lead has been determined. All case documentation received from any source *shall* be forwarded to the lead contractor.

If a termination date or a change related to a no-fault, workers' compensation, or liability situation is reported to the COBC from a source other than the lead contractor, the COBC *shall* consult by phone with the lead contractor before submitting the termination date or change to CWF. *The COBC shall only delete an existing no-fault, workers' compensation, or liability situation when requested by the lead contractor.*

After the COBC has established a new case (i.e., added a "Y" auxiliary record, assigned lead contractor), all follow-up calls are the responsibility of the designated lead contractor. *Once the COBC assigns lead, the lead contractor has ninety (90) calendar days from the date of lead assignment to review the case to determine whether lead should be reassigned to another contractor. After the ninety (90) calendar days timeframe has expired, the lead assignment shall remain with the original assigned lead. Reassignment requests received after the expiration period shall be denied by the COBC. There is one exception to this rule: lead contractors, National Lead Contractors and attorneys shall be allowed to request a change to the lead contractor assignment at any time for a product liability case.*

Contractors are reminded that they may have overlapping MSP periods for liability, no-fault, workers' compensation, and/or group health plan insurance.

10.8.1 - No-Fault Development

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

If Medicare is billed as primary payer, but there is an indication of possible coverage under no-fault insurance (including automobile no-fault insurance of all types, including personal injury protection) the *contractor shall* advise the COBC through

the ECRS. The COBC develops to determine whether there is coverage primary to Medicare through a form of no-fault insurance (including automobile no-fault insurance of all types, including personal injury protection). If there is coverage available, the COBC *shall* post an open "Y" auxiliary record on CWF. *Through its initial development with the insurer and/or attorney, the COBC may receive information that indicates that coverage through the no-fault insurance has been exhausted. In these cases, the COBC shall direct the insurer or attorney to forward information to the lead contractor to determine whether benefits have been exhausted.*

Using the information supplied by the COBC, the *contractor* processes the claim to payment or denial.

If, after the COBC's initial development, the *lead contractor* later determines that benefits have been exhausted under this policy, it *shall* post the termination date following the instructions in §10.1. If *the lead contractor* receives information through recovery development efforts that serves to modify the information that is contained on CWF, *it shall* send a CWF Assistance Request via ECRS ([See§10.2.1](#)).

If, upon further investigation the COBC learns that the beneficiary is filing a liability insurance claim, the COBC shall create a new MSP record (with the same effective date as the no-fault) for the liability situation and notify the designated lead contractor to validate that benefits have been exhausted. The lead contractor shall make the determination to terminate the no-fault record. If the lead contractor receives this information, it shall post a termination date (if none is existing), and forward the liability information to the COBC via ECRS ([See§10.2.1](#)).

10.8.2 - Workers' Compensation (WC) Development

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

The COBC develops to determine whether there is coverage primary to Medicare through WC insurance. The COBC determines the nature of the injury using the diagnosis code(s) submitted on the claim and through additional development, as necessary. The MSP auxiliary record added to CWF includes the diagnosis code(s) relating to that injury. If, after the COBC's initial development, the *lead contractor* later determines that benefits have been exhausted under WC, it *shall* post the termination date following the instructions in §10.1. If the *lead contractor* receives information through recovery development efforts that serves to modify the information that is contained on CWF, it sends a CWF Assistance Request to the COBC via ECRS([See§10.2.1](#)).

10.8.3 - Liability Development

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

The COBC develops to determine if a liability (including automobile liability) insurance claim has been or will be filed. If, as a result of that development or receipt of self-reported information (for example, letter from beneficiary or attorney or other

beneficiary representative, notification from provider), the beneficiary/representative indicates the intent to file a liability insurance claim, the beneficiary/representative is notified by the COBC of Medicare's potential recovery claim, if there is a settlement, judgment, or award, the COBC *shall*, where appropriate, send the attorney or other beneficiary representative a release agreement to be completed and returned directly to the lead contractor. The *lead contractor shall* post a termination date if it is notified that a liability case has been resolved through a settlement, judgment or award and does not provide for future medical payments. If its recovery development efforts find additional information that serves to modify the information that is contained on CWF, it sends a CWF Assistance Request to the COBC via ECRS ([See §10.2.1](#)).

If the COBC's development indicates there is a possible payment under liability insurance, the *contractor shall* make conditional payment. The COBC *shall* designate a lead *contractor* to monitor the progress of the liability claim and coordinate Medicare recovery efforts (See Chapter 7, §50.5).

See §10.8.1 for instructions where a liability insurance claim follows a no-fault situation; the *lead contractor* is responsible for the same type of actions where a no-fault claim follows a liability claim.

10.9 - COBC Numbers

(Rev. 39, Issued: 10-21-05; Effective Date: 10-01-05; Implementation Date: 11-19-05)

The COBC accretes MSP records using *designated* contractor numbers. Different numbers have been assigned for each COBC activity for purposes of separately capturing savings attributable to each activity. See Chapter 6, §10.2, for a complete list of COBC numbers and corresponding Nonpayment/Payment Denial codes and Crowd Special Project numbers.

When the *contractor* submits an "I" record to CWF, its contractor number is shown as the originating contractor. If the COBC converts the record to a "Y" with no change to the information, the originating contractor number remains on the record. If the record is changed to a "Y" and any of the data elements change, one of the COBC's numbers shows as the *originating contractor*.