

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 571	Date: October 2, 2009
	Change Request 6555

SUBJECT: Modification of the File-Based RAC Mass Adjustment Process in FISS

I. SUMMARY OF CHANGES: In March 2007, CMS issued Change Request (CR) 5494 (Transmittal 267) to establish a process for adjusting multiple claims and establishing accounts payable/receivable based on files with lists of claim identifiers and specific claim elements to be changed. CMS has identified a required data element (source workload ID) that is missing from the current output reports; this CR is intended to correct the oversight and to implement several other enhancements to the mass adjustment process.

New / Revised Material

Effective Date: April 5, 2010

Implementation Date: Phase I will include analysis/design and will be completed by January 4, 2010; actual coding/testing will occur in Phase II with an implementation date of April 5, 2010.

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:

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:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 571	Date: October 2, 2009	Change Request: 6555
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SUBJECT: Modification of the File-Based RAC Mass Adjustment Process in FISS

Effective Date: April 5, 2010

Implementation Date: Phase I will include analysis/design and will be completed by January 4, 2010; actual coding/testing will occur in Phase II with an implementation date of April 5, 2010.

I. GENERAL INFORMATION

A. Background: The Recovery Audit Contractor (RAC) program began as a three-state demonstration project in 2005; Congress subsequently made the program permanent and directed CMS to expand it nationwide no later than January 2010 (Division B, Title III, Section 302 of the Tax Relief and Healthcare Act of 2006). CMS has awarded four regional contracts – RAC jurisdictions are the same as those of the DME MACs.

RACs review past claims for potential improper payments, requesting and reviewing medical records when necessary to make appropriate determinations. Once an overpayment has been identified, the RAC forwards the claim information to the appropriate FI, Carrier, A/B MAC, DME MAC or RHHI for adjustment, accounts receivable creation and eventual collection by provider check, offset or Treasury referral. (Underpayment correction follows a similar process, ending with a check or electronic funds transfer to the affected provider.)

Virtually all fee-for-service Medicare claims are subject to RAC review. The number of claims needing adjustment grew significantly during the demonstration, and CMS issued Change Request (CR) 5494 (Transmittal 267) in March 2007 to direct the implementation of a RAC-oriented mass adjustment process in FISS.

CR 5494 established a offline process by which FISS would accept pre-constructed lists (files) with claim identifiers and specific elements to be adjusted, then perform the adjustments and create the receivables/payables, returning files of successfully adjusted claims and claims unable to be adjusted to the originator for further action as needed. The mass adjustment process also results in a file that lists actions taken on RAC-originated receivables (principal recovered, interest accruals, etc.); this CR is intended to add several useful data elements that CMS has identified since the report was first created. This CR also establishes similar requirements for HIGLAS. (The layouts as presented here are drafts; CMS anticipates revising them as analysis and design progresses.)

CMS tracks RAC activity via the RAC Data Warehouse system; this CR is part of an evolution from manually generated reports uploaded by claims processing contractor staff (the process prior to CR 5494) to system-generated reports uploaded by claims processing contractor staff (the process after CR 5494, with enhancements via this CR) to system-level data interchange with no contractor staff intervention required (a subsequent CR).

Two additional CRs were issued at the same time as CR 5494: CR5496 (Transmittal 268) directed the analysis and design of a comparable mass adjustment process in MCS, while CR 5497 (Transmittal 271) directed the analysis and design of a comparable process in VMS, companion CRs to this one direct implementation in those systems as well.

B. Policy: N/A

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility ("X" indicates the columns that apply)									
		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				OTHER
						F I S S	M C S	V M S	C W F		
6555.1	The FISS maintainer shall confirm that the RAC mass adjustment process created under CR 5494 remains available for use.						X				
6555.1.1	The maintainer shall confirm that the RAC mass adjustment process assigns any codes necessary to identify the adjustments as originating with a RAC, including an "R" indicator in the header of all adjustment claims sent to CWF in accordance with CR 6103 (Transmittal 1568).						X				
6555.1.2	The maintainer shall confirm that a temporary holding area has been established for claims that have been purged from the online history file; these claims shall be retrieved from offline histories and/or accreted to CWF (as appropriate) and the adjustment processed once they are available to FISS. If not retrieved within 30 days, the adjustment shall be discarded and reported on the failure report described in 6555.1.3.1.						X				
6555.1.3	The maintainer shall confirm that if a claim cannot be adjusted for any other reason, FISS will cancel the adjustment and continue to the next request.						X				

Number	Requirement	Responsibility ("X" indicates the columns that apply)									
		A / B M A C	D M E M A C	F I R A C	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	text format per the attached layout.										
6555.2.2	The file shall be submitted electronically to the Enterprise Data Center (EDC). The receipt of the file by the EDC shall trigger the mass adjustment process. If the file fails to load for any reason, the FI, RHHI or A/B MAC shall work with the EDC and the file submitter to diagnose the problem.	X		X		X					EDCs
6555.2.3	FISS shall assign the internal message code(s) supplied by the RACs based on the claim processing circumstances and contractor file setup; the associated Claim Adjustment Reason Code (CARC) and the Remittance Advice Remark Codes (RARCs) shall be defined by the contractors and shall include RARC N432 ("Adjustment based on a Recovery Audit") at the appropriate claim/revenue code level.	X		X			X				
6555.2.4	FISS shall re-price the claim and shall generate two files with the outcome of successful adjustments and details of the receivables/payables, if available. HIGLAS shall generate two supplemental files with financial details for contractors that have transitioned to that system and can no longer access relevant data via FISS.						X				HIGLAS
6555.2.4.1	Each set of FISS/HIGLAS outcome files shall be in fixed-width text format (see attached layouts) and shall be identical except that only one pair shall have HIC numbers.						X				HIGLAS
6555.2.4.2	The EDC, FI, RHHI or A/B MAC shall return the outcome files with HIC numbers to the RAC that	X		X		X					EDCs

Number	Requirement	Responsibility ("X" indicates the columns that apply)								
		A / B M A C	D M E M A C	F I R A C	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		
	requested the adjustments.									
6555.2.4.3	The FI, RHHI or A/B MAC shall upload the non-identifiable outcome file to the RAC Data Warehouse; transmissions shall occur at least weekly per CR 6384 (Transmittal 152; June 2009).	X		X		X				
6555.3	FISS or HIGLAS (as appropriate) shall additionally generate two weekly transaction files with all activity associated with RAC-originated receivables/payables in the given reporting period.						X			HIGLAS
6555.3.1	The transaction files shall be in fixed-width text format (see attached layouts); each system's files shall be identical except that only one shall have HIC numbers.						X			HIGLAS
6555.3.2	The EDC, FI, RHHI or A/B MAC shall return the transaction files with HIC numbers to the RAC that requested the adjustments.	X		X		X				EDCs
6555.3.3	The FI, RHHI or A/B MAC shall upload the non-identifiable transaction files to the RAC Data Warehouse. Files shall be uploaded as generated (ie, weekly).	X		X		X				
6555.4	RACs will continue to submit manual adjustment requests for claims that are legitimately unable to be accommodated through the mass adjustment process; those receivables/payables must be tracked on the transaction files as well.	X		X		X	X			HIGLAS

Number	Requirement	Responsibility ("X" indicates the columns that apply)										
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER	
		M A A C	M A A C				F I S S	M C S	V M S	C W F		
6555.5	The RAC Data Warehouse can currently only accept files via Web interface, but transfers to/from RACs shall be conducted via MDCN/MPLS network if possible.	X		X		X						RACs, EDCs

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility ("X" indicates the columns that apply)										
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER	
		M A A C	M A A C				F I S S	M C S	V M S	C W F		
N/A												

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:
N/A	

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

V. CONTACTS

Pre-Implementation Contact: LT Terrence Lew, USPHS
(terrence.lew@cms.hhs.gov or 410-786-9213).

Post-Implementation Contact: LT Terrence Lew, USPHS
(terrence.lew@cms.hhs.gov or 410-786-9213).

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or 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.

Attachment

FISS input files for CR 6555 (header)

Field #	Field Name	Location	Length	Valid Values/Comments
1	File type	1	10	“FISS-IN-I”
2	Filler	11	1	Space fill
3	File format version	12	3	“001”
4	Filler	15	1	Space fill
5	Record count	16	6	Number of records in file. Right justified, zero fill
6	Filler	22	1	Space fill
7	Record length	23	3	TBD
8	Filler	26	1	Space fill
9	Create date	27	8	File creation date (Format = CCYYMMDD)
10	Filler	35	7	Space fill
11	Source ID	42	5	Workload number associated with adjusted claims; one per file.
12	Filler	47	1	Space fill
13	Region	48	1	Space fill (not applicable to claims processors; included to track with common format used by RAC Data Warehouse)

FISS input files (content)

(received from RAC)

Field #	Field Name	Location	Length	Comments
1	FI/RHHI/MAC workload number	1	5	Contractor workload ID (original)
2	HIC number/prefix/suffix	6	13	
3	DCN	19	23	
4	Claim paid date	31	8	Original scheduled paid date sent to CWF
5	Provider NPI	42	10	Institutional NPI
6	Adjusted admission date	52	8	Claim-level adjustments
7	Adjusted discharge date	60	8	
8	Adjusted patient discharge status	68	2	
9	Adjusted source of admission	70	1	
10	Adjusted DRG	71	3	
11	Adjusted admitting diagnosis	74	7	Additional space to accommodate ICD-10
12	Adjustment Reason Code #1	81	TBD	Contractors to develop adjustment reason codes in collaboration with the user community (CMS, RACs, other claims processors, etc.); assign RARC "N432" per CR6398.
13	Adjustment Reason Code #2	TBD	TBD	
14	Adjustment Reason Code #3	TBD	TBD	
15	Number of diagnosis groups	TBD	2	Up to 10 diagnosis groups per record
16	Original diagnosis	TBD	7	
17	Adjusted diagnosis	TBD	7	
18	Adjustment Reason Code #1	TBD	TBD	
19	Adjustment Reason Code #2	TBD	TBD	
20	Adjustment Reason Code #3	TBD	TBD	
21	Procedure group indicator	TBD	1	Up to 6 procedure groups per record
22	Original procedure	TBD	7	
23	Adjusted procedure	TBD	7	
24	Adjustment Reason Code #1	TBD	TBD	
25	Adjustment Reason Code #2	TBD	TBD	
26	Adjustment Reason Code #3	TBD	TBD	
27	Revenue center indicator	TBD	2	Up to 450 revenue center groups per record
28	Old Revenue Code	TBD	4	
29	Old HCPCS/HIPPS	TBD	5	
30	Adjusted Revenue Code	TBD	4	
31	Adjusted HCPCS/HIPPS	TBD	5	
32	Adjusted Modifier 1	TBD	2	
33	Adjusted Modifier 2	TBD	2	
34	Adjusted Modifier 3	TBD	2	
35	Adjusted Modifier 4	TBD	2	
36	Adjusted Date of Service	TBD	8	
37	Adjusted Units	TBD	4	
38	Adjustment Reason Code #1	TBD	TBD	
39	Adjustment Reason Code #2	TBD	TBD	
40	Adjustment Reason Code #3	TBD	TBD	

FISS initial output files (header)

Field #	Field Name	Location	Length	Valid Values/Comments
1	File type	1	10	“FISSOUT-I” for version with HICs “FISSOUT-NI” for version without HICs (left justified; space fill)
2	Filler	11	1	Space fill
3	File format version	12	3	“001”
4	Filler	15	1	Space fill
5	Record count	16	6	Number of records in file. Right justified, zero fill
6	Filler	22	1	Space fill
7	Record length	23	3	TBD
8	Filler	26	1	Space fill
9	Create date	27	8	File creation date (Format = CCYYMMDD)
10	Filler	35	7	Space fill
11	Source ID	42	5	Workload number associated with adjusted claims; one per file.
12	Filler	47	1	Space fill
13	Region	48	1	Space fill (not applicable to claims processors)

FISS initial output files (content)

Field #	Field Name	Location	Length	Comments
1	Overpayment or underpayment	1	1	“O” to indicate overpayment or “U” for underpayment.
2	FI/RHHI/MAC workload number	2	5	Workload ID number of the contractor processing the adjustment.
3	Original contractor workload number	7	5	The workload ID of the contractor that originally processed the claim, which may differ from that of the contractor that is processing the adjustment (i.e., MAC #12345 adjusts a claim originally processed by FI #54321).
4	Business Segment Identifier	12	4	
5	Original DCN	16	23	
6	Adjustment DCN	39	23	
7	Institutional provider NPI	62	10	
8	Institutional provider legacy number	72	6	
9	Original claim paid date	78	8	
10	Adjustment finalization date	86	8	
11	Adjusted claim paid amount	94	11	
12	AR/AP transaction date	105	8	Date AR/AP was established
13	AR number or AP/check number	113	TBD	
14	AR/AP transaction amount	TBD	TBD	If check issued for underpayments; will presumably be zero for overpayments (ie, recovery is not immediate)
15	Primary adjusted service (if applicable)	TBD	5	HCPCS/HIPPS code of the specific service adjusted by the RAC. If the RAC requested adjustment of multiple services on the same claim, report the first service on the input file. (RACs have been directed to list their most significant adjustment first.) These fields help CMS determine the amount of RAC recoveries attributable to specific services versus associated findings (i.e., other lines that re-price as a result of the primary adjustment).
16	Original amount – primary service (if applicable)	TBD	11	Original amount paid for the specific service in the previous field.
17	Adjusted amount – primary service (if applicable)	TBD	11	Revised amount paid for the specific service adjusted by the RAC, or the one identified as the primary adjustment per the RAC or the methodology above.
18	HIC number	TBD	13	Will be included in the report for the originating RAC but NOT the report for the RAC Data Warehouse.

Supplemental HIGLAS initial output files (header)

Field #	Field Name	Location	Length	Valid Values/Comments
1	File type	1	10	“F-H-OUT-I” for version with HICs “F-H-OUT-NI” for version without HICs (left justified; space fill)
2	Filler	11	1	Space fill
3	File format version	12	3	“001”
4	Filler	15	1	Space fill
5	Record count	16	6	Number of records in file. Right justified, zero fill
6	Filler	22	1	Space fill
7	Record length	23	3	TBD
8	Filler	26	1	Space fill
9	Create date	27	8	File creation date (Format = CCYYMMDD)
10	Filler	35	7	Space fill
11	Source ID	42	5	Workload number associated with of adjusted claims; one per file.
12	Filler	47	1	Space fill
13	Region	48	1	Space fill (not applicable to claims processors)

Supplemental HIGLAS initial output files (content)

Field #	Field Name	Location	Length	Comments
1	Overpayment or underpayment	1	1	“O” to indicate overpayment or “U” for underpayment.
2	FI/RHHI/MAC workload number	2	5	Workload ID number of the contractor processing the adjustment.
3	Original DCN	18	23	
4	Adjustment DCN	41	23	
5	Institutional provider NPI	64	10	
6	Institutional provider legacy number	74	6	
7	Adjusted claim paid amount	80	11	
8	AR/AP transaction date	91	8	
9	AR number or AP/check number	99	TBD	
10	AR/AP transaction amount	TBD	TBD	If check issued for underpayments; will presumably be zero for overpayments (ie, recovery is not immediate)
11	HIC number	TBD	13	Will be included in the report for the originating RAC but NOT the report for the RAC Data Warehouse.

FISS/HIGLAS transaction files (header)

Field #	Field Name	Location	Length	Valid Values/Comments
1	File type	1	10	“FISS-TR-I” for version with HICs “FISS-TR-NI” for version without HICs (left justified; space fill)
2	Filler	11	1	Space fill
3	File format version	12	3	“001”
4	Filler	15	1	Space fill
5	Record count	16	6	Number of records in file. Right justified, zero fill
6	Filler	22	1	Space fill
7	Record length	23	3	TBD
8	Filler	26	1	Space fill
9	Create date	27	8	File creation date (Format = CCYYMMDD)
10	Filler	35	7	Space fill
11	Source ID	42	5	Workload number associated with transactions; one per file.
12	Filler	47	1	Space fill
13	Region	48	1	Space fill (not applicable to claims processors)

FISS/HIGLAS transaction files (content)

Field #	Field Name	Location	Length	Description/Comments
1	Overpayment or underpayment	1	1	“O” to indicate overpayment or “U” for underpayment
2	FI/RHHI/MAC workload number	2	5	Workload ID number of the contractor processing the adjustment.
3	Original contractor workload number	7	5	The workload ID of the contractor that originally processed the claim, which may be different from the contractor that is processing the adjustment (ie, MAC #12345 adjusts a claim originally processed by FI #54321).
4	Business Segment Identifier	12	4	
5	Original DCN	16	23	
6	Adjustment DCN	39	23	
7	Institutional provider NPI	62	10	
8	Institutional provider legacy number	72	6	
9	Original claim paid date	78	8	
10	AR number	86	TBD	
11	AR transaction date	TBD	8	Date AR established/aging begins
12	Transaction (collection) type	TBD	TBD	Field to be identified/derived by system maintainer during implementation. CMS’s intent is to capture whether the collection was accomplished by one-time offset, repayment plan offset, one-time provider check, check pursuant to an approved repayment plan, Treasury referral, etc.
13	Transaction date	TBD	8	Date of the specific activity reported here
14	Transaction amount	TBD	11	All amounts are to be unsigned; CMS will classify reported figures with the overpayment/underpayment indicator.
15	Current principal	TBD	TBD	
16	HIC number	TBD	13	Will be included in the report for the originating RAC but NOT the report for the RAC Data Warehouse.

FISS error files (header)

Field #	Field Name	Location	Length	Valid Values/Comments
1	File type	1	10	“FISS-ERR-I”
2	Filler	11	1	Space fill
3	File format version	12	3	“001”
4	Filler	15	1	Space fill
5	Record count	16	6	Number of records in file. Right justified, zero fill
6	Filler	22	1	Space fill
7	Record length	23	3	TBD
8	Filler	26	1	Space fill
9	Create date	27	8	File creation date (Format = CCYYMMDD)
10	Filler	35	7	Space fill
11	Source ID	42	5	Workload number associated with adjusted claims; one per file.
12	Filler	47	1	Space fill
13	Region	48	1	Space fill (not applicable to claims processors; included to track with common format used by RAC Data Warehouse)

FISS error files (content)

Field #	Field Name	Location	Length	Comments
1	FI/RHHI/MAC workload number	1	5	Contractor workload ID (original)
2	HIC number/prefix/suffix	6	13	
3	DCN	19	23	
4	Adjustment DCN	31	23	Include if applicable (ie, adjustment failed after creation); space fill otherwise
5	Claim paid date	54	8	Original scheduled paid date sent to CWF
6	Provider NPI	62	10	Institutional NPI
7	Failure Reason Code #1	72	TBD	Claim-level adjustment failures; maintainer to define failure reason codes in collaboration with CMS, RACs and claims processing contractors.
8	Failure Reason Code #3	TBD	TBD	
9	Failure Reason Code #3	TBD	TBD	
10	Number of diagnosis groups	TBD	2	Up to 10 diagnosis groups per record
11	Original diagnosis	TBD	7	
12	Failure Reason Code #1	TBD	TBD	
13	Failure Reason Code #2	TBD	TBD	
14	Failure Reason Code #3	TBD	TBD	
15	Procedure group indicator	TBD	1	Up to 6 procedure groups per record
16	Original procedure	TBD	7	
17	Failure Reason Code #1	TBD	TBD	
18	Failure Reason Code #2	TBD	TBD	
19	Failure Reason Code #3	TBD	TBD	
20	Revenue center indicator	TBD	2	Up to 450 revenue center groups per record
21	Old Revenue Code	TBD	4	
22	Old HCPCS/HIPPS	TBD	5	
23	Failure Reason Code #1	TBD	TBD	
24	Failure Reason Code #2	TBD	TBD	
25	Failure Reason Code #3	TBD	TBD	