

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 584</b>	<b>Date: October 30, 2009</b>
	<b>Change Request 6551</b>

**SUBJECT: Reporting Requirements for the Fiscal Intermediary Shared System (FISS) Medicare Fraud Edit Module**

**I. SUMMARY OF CHANGES:** Transmittal 326, Change Request (CR) 5725, dated March 7, 2008, implemented the fraud edit module for MCS in July 2008, Transmittal 342, CR 6035, dated May 16, 2008, implemented the fraud edit module for VIPS Medicare System (VMS) in October 2008, and Transmittal 265, CR 6135, dated August 8, 2008, made the fraud edit capabilities (similar to those CR 5725 and CR 6035 available in MCS and VMS respectively) available to the users of the Fiscal Intermediary Shared System (FISS) in October 2008.

This CR specifies reporting requirements for CR 6135. The required report is separate but similar to the PIMR reports.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE: APRIL 1, 2010**

**IMPLEMENTATION DATE: 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**

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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: 584	Date: October 30, 2009	Change Request: 6551
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**SUBJECT: Reporting Requirements for the Fiscal Intermediary Shared System (FISS) Medicare Fraud Edit Module**

**Effective Date: April 1, 2010**

**Implementation Date: April 5, 2010**

### **I. GENERAL INFORMATION**

**A. Background:** The concept for the fraud edit module is based on the infusion therapy fraud project in South Florida. First Coast Service Options (FCSO - the Medicare carrier for Florida) developed a series of edits to deny claims with potentially improper payments associated with infusion therapy. The edits have helped to reduce improper payments in Florida but with a considerable cost to the FCSO operating budget. Later, data suggested that infusion therapy fraud was beginning to occur in Michigan and New Jersey/New York (NJ/NY). The carriers for those States, Wisconsin Physician Services, and National Government Services, developed similar edits to address this same issue. These edits saved close to \$6.8 million in improper payments in Michigan and \$3.1 million (combined) in NJ and NY.

Programming these edits and associated reviews requires a considerable operating expense for contractors. As a fraud moves from State-to-State, the need for a low-cost way to share and implement edits on the fly became clear. One option to reduce the cost of developing these edits is to develop a plug and play shared system solution.

The Centers for Medicare & Medicaid (CMS) convened a fraud edit module workgroup consisting of representatives from OFM Program Integrity Group, Centers for Medicare Management, Office of Information Systems, and the New York and Los Angeles satellite offices to develop requirements for a proactive fraud edit module that would allow Medicare carrier system (MCS) users to implement on-the-fly edits when potentially fraudulent claims are found locally or nationally. The vision of CMS is that the fraud edit module will provide Medicare contractors with an improved fraud editing capability.

Transmittal 326 , Change Request (CR) 5725, dated March 7, 2008, implemented the fraud edit module for MCS in July 2008; Transmittal 342, CR 6035, dated May 16, 2008, implemented the fraud edit module for VIPS Medicare System (VMS) in October 2008; and Transmittal 265, CR 6135, dated August 8, 2008, made the fraud edit capabilities (similar to those CR 5725 and CR 6035 available in MCS and VMS respectively) available to the users of the Fiscal Intermediary Shared System (FISS) in April 2009.

This CR specifies reporting requirements for CR 6135. The required report is separate but similar to the PIMR reports.

**B. Policy:** Pub. 100-08, Program Integrity Manual (PIM), reflects the principles, values, and priorities for the Medicare integrity program (MIP). The primary principle of program integrity (PI) is to pay claims correctly. In order to meet that goal, program safeguard contractors (PSCs), affiliated contractors (ACs) and Medicare administrative contractors (MACs) must ensure that they pay the right amount for covered and correctly coded services that legitimate providers render to eligible beneficiaries. The CMS follows four parallel strategies in meeting this goal: 1) preventing fraud through detection, effective enrollment, and education of providers and beneficiaries, 2) early detection through medical review and data analysis, 3) close coordination with partners, including PSCs, ACs/MACs, and law enforcement agencies, and 4) fair and firm enforcement policies. Use of the edits specified in this CR is required by Pub. 100-08, chapter 4.

## II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	A / B  M A C	D M E  M A C	F I  M A C	C A R R I E R	R H H I	Shared-System Maintainers				OTH- ER
							F I S S	M C S	V M S	C W F	
6551.1	The FISS shared system maintainer shall develop a reporting capability for the FISS shared system edit module that shall report the results of applying the edits required by CR 6135, by the edit ID number that the contractor assigns.						X				
6551.1.1	If the shared system currently has a capability that meets some or all of the requirements of this CR, the shared system may utilize the existing capability in meeting this requirement.						X				
6551.2	The report developed to meet BR 6551.1, shall be linkable to the PIMR edit description module.						X				PIMR
6551.3	Contractors shall specify “shared system edit” in the PIMR edit description module if the contractor chooses to implement the edit.	X		X		X					PIMR
6551.4	The report developed to meet BR 6551.1, shall meet the reporting requirements of Pub. 100-08, Program Integrity Manual (PIM), chapter 7.						X				PIMR
6551.4.1	The report developed to meet BR 6551.1, shall meet the requirements of Pub. 100-08, PIM, section 7.2.8.2.1 (line counts).						X				PIMR

Number	Requirement	A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTH- ER
							F I S S	M C S	V M S	C W F	
6551.4.2	The report developed to meet BR 6551.1, shall meet the requirements of Pub. 100-08, PIM, section 7.2.8.2.2 (denials).						X				PIMR
6551.4.3	The report developed to meet BR 6551.1, shall meet the requirements of Pub. 100-08, PIM, section 7.2.8.2.4 (claims counts).						X				PIMR
6551.4.4	The report developed to meet BR 6551.1, shall be produced separately from the main PIMR module						X				PIMR
6551.4.5	The report developed to meet BR 6551.1, shall use activity type 23017.						X				PIMR

### III. PROVIDER EDUCATION TABLE

Number	Requirement	A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None										

### IV. SUPPORTING INFORMATION

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

X-Ref Requirement Number	Recommendations or other supporting information:
	None

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

### V. CONTACTS

**Pre-Implementation Contact:** John Stewart, [john.stewart@cms.hhs.gov](mailto:john.stewart@cms.hhs.gov).

**Post-Implementation Contact:** John Stewart, [john.stewart@cms.hhs.gov](mailto:john.stewart@cms.hhs.gov).

## **VI. FUNDING**

### **Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Intermediaries (RHHIs)*:**

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.