

<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 730</b>	<b>Date: July 29, 2010</b>
	<b>Change Request 7026</b>

**SUBJECT: Allowing the Common Working File (CWF) to accept both Medicare Secondary Payer (MSP) and Non-MSP Lines on MSP Claims and MSP Adjustment Claims**

**I. SUMMARY OF CHANGES:** This change request directs CWF to accept both MSP and non-MSP lines on the same claim and not to send the 5414 error code when MSP and non-MSP lines appear on the same claim. This CR also directs CWF to not send the 5410 error code when deductible is due, but to send the AA (deductible rejects) 8018 and 8019 for the Part B and the DMERC Contractors.

**EFFECTIVE DATE: January 1, 2011: MCS Analysis and Design**  
**April 1, 2011: VMS and CWF**

**IMPLEMENTATION DATE: April 4, 2011**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**  
Not Applicable.

**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

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**SUBJECT: Allowing the Common Working File (CWF) to accept both Medicare Secondary Payer (MSP) and Non-MSP Lines on MSP Claims and MSP Adjustment Claims**

**EFFECTIVE DATE:** January 1, 2011: MCS Analysis and Design  
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## I. GENERAL INFORMATION

**A. Background:** Currently, Medicare contractors receive a 5414 error code from CWF when contractors and the shared systems attempt to process and/or adjust MSP claims where there are MSP and non-MSP lines on the same claim when the claim information is sent to CWF. CWF does not allow for both MSP and non-MSP lines to appear on the same claim. Although this policy was placed in CWF many years ago it has become apparent in recent years that more claims are received with both MSP and non-MSP lines. This change request directs CWF to accept both MSP and non-MSP lines on the same claim and not to send the 5414 error code when MSP and non-MSP lines appear on the same claim. This CR also directs CWF to not send the 5410 error code when deductible is due, but to send the AA (deductible rejects) 8018 and 8019 for the Part B and the DMERC Contractors.

**B. Policy:**  
 Medicare must make secondary payments on all clean MSP claims.

## II. BUSINESS REQUIREMENTS TABLE

*Use "Shall" to denote a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I  M E R	C A R  I E R	R H H  I  S S	Shared-System Maintainers				O T H E R
						F I S S	M I C S	V M S	C M W F		
7026.1	The shared systems and CWF shall allow MSP claims to contain both MSP and non-MSP lines on the same claim.							X	X	X	
7026.2	Initial and adjustment claims with both MSP and non-MSP lines shall not be split, nor replicated and non-claim adjustments shall not be performed for the sole purpose of separating MSP and non-MSP services.							X	X	X	

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	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	
7026.3	CWF shall deactivate error code 5410.							X	X	X	
7026.3.1	CWF shall return the error codes 8018 (over-applied) and 8019 (under-applied) when deductible is due, along with the 07 Trailer to the shared systems.							X	X	X	
7026.4	The shared systems shall continue to apply the Medicare deductible to the MSP lines first and then lastly to the non-MSP lines for initial and adjustment claims.							X	X		
7026.5	CWF shall deactivate error code 5414 and allow the deductible to apply to the MSP lines first and then to the non-MSP line that appear on the same claim.										X

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	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	
	<b>None</b>										

### IV. SUPPORTING INFORMATION

**Section 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	

**Section B: For all other recommendations and supporting information, use this space:**

## V. CONTACTS

**Pre-Implementation Contact(s):** Richard Mazur, [Richard.Mazur2@cms.hhs.gov](mailto:Richard.Mazur2@cms.hhs.gov) (410) 786-1418

**Post-Implementation Contact(s):** Richard Mazur, [Richard.Mazur2@cms.hhs.gov](mailto:Richard.Mazur2@cms.hhs.gov) (410) 786-1418

## VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*, use only one of the following statements:**

Not Applicable.

**Section B: For *Medicare Administrative Contractors (MACs)*, include the following statement:**

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.