
CMS Manual System

Pub. 100-08 Program Integrity Manual

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Transmittal 90

Date: DECEMBER 10, 2004

CHANGE REQUEST 3569

SUBJECT: Prepayment Review of Claims for MR Purposes

I. SUMMARY OF CHANGES: Contractors may not initiate non-random prepayment review of a provider or supplier based on the initial identification by that provider or supplier of an improper billing practice unless there is a likelihood of a sustained or high level of payment error.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: December 1, 2004
IMPLEMENTATION DATE: January 10, 2005

MANUALIZATION/CLARIFICATION – EFFECTIVE/IMPLEMENTATION DATES: Not Applicable.

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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:
(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	3/3.5/Prepayment Review of Claims for MR Purposes

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

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

Attachment - Business Requirements

Pub. 100-08	Transmittal: 90	Date: December 10, 2004	Change Request 3569
-------------	-----------------	-------------------------	---------------------

SUBJECT: Prepayment Review of Claims for MR Purposes

I. GENERAL INFORMATION

A. Background: Section 934 of the MMA mandates limitations on the initiation of non-random prepayment review to prevent providers or suppliers from being placed on prepayment review for the self-reporting of an improper billing practice. However, if a provider or supplier self-discloses an improper billing practice and the contractor determines that there is a sustained or high level of payment error, the provider or supplier may be placed on non-random prepayment review (MMA section 934).

B. Policy: Contractors may not initiate non-random prepayment review of a provider or supplier based on the initial identification by that provider or supplier of an improper billing practice unless there is a likelihood of a sustained or high level of payment error. For more information regarding identification of providers or suppliers with a sustained or high level of payment error refer to chapter 3, section 11, of the Program Integrity Manual.

C. Provider Education: None.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (place an "X" in the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3569.1	Contractors shall not initiate non-random prepayment medical review of a provider or supplier based on the initial identification by that provider or supplier of an improper billing practice unless there is a likelihood of a sustained or high level of payment error.	X	X	X	X					

III. 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

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: December 1, 2004</p> <p>Implementation Date: January 10, 2005</p> <p>Pre-Implementation Contact(s): Marie Casey, 410-786-7861, mcasey2@cms.hhs.gov Dan Schwartz, 410-786-4197, dschwartz2@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Marie Casey, 410-786-7861, mcasey2@cms.hhs.gov Dan Schwartz, 410-786-4197, dschwartz2@cms.hhs.gov</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
--	---

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

3.5 - Prepayment Review of Claims For MR Purposes

(Rev. 90, Issued: 12-10-04, Effective: 12-01-04, Implementation: 01-10-05)

The instructions listed in this section (section 3.5) apply only to reviews conducted for MR purposes unless otherwise noted.

Contractors may not initiate non-random prepayment review of a provider or supplier based on the initial identification by that provider or supplier of an improper billing practice unless there is a likelihood of a sustained or high level of payment error. For more information regarding identifying providers or suppliers with a sustained or high level of payment errors please refer to chapter, 3 section 11, of this manual.

Contractors may not prohibit providers from submitting electronic claims, even those providers who have been selected for prepayment review. Contractors may encourage providers who are on 100 percent prepayment MR for a particular service to submit paper claims.