

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 944

Department of Health &
Human Services (DHHS)

Centers for Medicare &
Medicaid Services (CMS)

Date: MAY 10, 2006

Change Request 5047

NOTE: Transmittal 940, dated May 5, 2006, is being rescinded and replaced with Transmittal 944, dated May 10, 2006. The change is to Business Requirement 5047.6, in which responsibility was incorrectly identified for FISS. The Business Requirement has been revised. All other information remains the same.

SUBJECT: Full Replacement of CR 4349, Hold on Medicare Payments. CR4349 is rescinded

I. SUMMARY OF CHANGES: Section 5203 of the Deficit Reduction Act of 2006 requires a one-time hold on Medicare payments for the period of September 22, 2006 - September 30, 2006. Payment on claims that would have otherwise been paid on one of these 9 days will be made on the first business day of October 2006.

NEW/REVISED MATERIAL

EFFECTIVE DATE: September 22, 2006

IMPLEMENTATION DATE: July 3, 2006

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
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III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

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: Full Replacement of CR 4349, Hold on Medicare Payments. CR4349 is rescinded.

I. GENERAL INFORMATION

- A. Background:** Section 5203 of the Deficit Reduction Act of 2006 requires a one-time hold on Medicare payments for the period of September 22, 2006-September 30, 2006. Payment on claims that would have otherwise been paid on one of these 9 days will be made on the first business day of October 2006.
- B. Policy:** The purpose of this One-Time Notification is to put a brief hold on Medicare payments for the last 9 days of the Federal fiscal year, i.e., September 22, 2006-September 30, 2006. As stated in the law, no interest or late penalty will be paid to an entity or individual for any delay in a payment by reason of this one-time hold on payments.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

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	
5047.1	Contractors shall hold ALL paper and electronic claims (e.g., initial claims, adjustment claims, and MSP claims.) which would be paid during the period September 22, 2006 through September 30, 2006. This applies only to claims subject to payment. It does not apply to full denials and no-pay claims. It also does not apply to periodic interim payments, home	X	X	X		X	X	X		DMACs HIGLAS COBC

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	
	health request for anticipated payments, cost reports settlements, and other non-claim payments.									
5047.2	Contractors shall continue to apply CMS’ regulations for the fourteen day electronic claim payment floor and 29-day paper claim payment floor. Staggered payments are not permitted. All payments held as a result of the 9-day statutory hold must be dated and issued on October 2, 2006.	X	X	X		X	X	X		DMACs HIGLAS COBC
5047.3	As stipulated within the law, contractors shall not accrue and pay interest for claims which are held and then paid, as a result of this one-time policy, if they are paid after the 30 th day after the date of receipt. Since October 2 nd , the first business day of October 2006, is a Monday, no interest shall accrue for these claims for September 22 -October 1, 2006.	X	X	X		X	X	X		DMACs HIGLAS COBC
5047.4	Contractors shall not be held accountable for claims paid outside the claims processing timeliness standards for claims subject to this one-time policy.	X	X	X		X	X	X		DMACs HIGLAS COBC
5047.5	As stipulated within the law, contractors shall pay claims held as a result of this one-time policy on the first business day of October 2006 (which will be October 2, 2006).	X	X	X		X	X	X		DMACs HIGLAS COBC
5047.6	Contractors shall stagger the crossover files to the COBC during the period September 22, 2006 - September 30, 2006. For this period only, contractors shall transmit the daily production crossover files to the COBC as soon as they are returned from CWF with a trailer 29 rather than releasing them to the COBC when the Medicare payment comes off the payment floor on October 2, 2006. The contractors shall resume transmitting the production crossover files, per current procedures, to the COBC when			X			X	X		DMACs HIGLAS COBC

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			
5047.11	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established “Medlearn matters” listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability o the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X		X	X	X		DMACs HIGLAS COBC

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

Effective Date*: September 22, 2006 Implementation Date: July 3, 2006 Pre-Implementation Contact(s): Ursula Randall or Ursula.Randall@cms.hhs.gov Post-Implementation Contact(s):	No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.
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