CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 10601	**Date: March 23, 2021**
	Change Request 12091

SUBJECT: Modifications to the National Coordination of Benefits Agreement (COBA) Claims Crossover Process

I. SUMMARY OF CHANGES: Through this instruction, CMS is directing the Common Working File (CWF) maintainer to discontinue the practice of sending Beneficiary Other Insurance (BOI) auxiliary file data to the Next Generation Desktop (NGD) and the Medicare Beneficiary Database (MBD) **only** for COBA ID ranges 79000-79999 and for 89000-89999. Additionally, through this instruction, CMS is modifying one aspect of the CWF logic used as part of Recovery Audit Contractor (RAC)-initiated COBA crossover claims process, associated with COBA ID range 88000--88999.

EFFECTIVE DATE: July 1, 2021
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 6, 2021

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
R	27/ 80.8- Inclusion and Exclusion of Specified Categories of Adjustment Claims for Coordination of Benefits Agreement (COBA) Crossover Purposes

III. FUNDING:
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:

Business Requirements
Manual Instruction

Attachment - Business Requirements

Pub. 100-04	Transmittal: 10601	Date: March 23, 2021	Change Request: 12091

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I. GENERAL INFORMATION

A. Background: Through this instruction, CMS is requesting that the Common Working File (CWF) system make two (2) changes within its COBA crossover logic: 1) discontinue the practice of notifying various downstream systems when COBA eligibility records posted to CWF fall within two specified COBA identifier ranges (79000-79999 and 89000-89999); and 2) modify one (1) aspect of the current CWF logic applied to Recovery Audit Contractor (RAC)-initiated adjustment crossover claims.

Currently, the Coordination of Benefits & Recovery (COB&R) system on behalf of the Benefits Coordination and Recovery Center (BCRC) submits an initial COBA eligibility maintenance transaction to the CWF host sites to create the Beneficiary Other Insurance (BOI) auxiliary file. Thereafter, the COB&R submits either bi-weekly or monthly BOI auxiliary file updates to CWF host sites. As part of its COBA-related processing activities, the CWF maintainer submits copies of the BOI auxiliary eligibility file to the Medicare Beneficiary Database (MBD) as well as to the Next Generation Desktop (NGD). This enables more effective customer service for those who access these systems or applications.

In recent years, CMS took the action to remove Medicare crossover messages associated with Healthcare Prepayment Plan (HCPP)/ Health Maintenance Organization (HMO) Cost Plans transfers (COBA ID range 89000-89999) and Medicaid Quality Program (MQP) transfers (COBA ID 79000-79999) from being included on beneficiary Medicare Summary Notices (MSNs) and provider Remittance Advices (RAs). CMS took this action because Medicare Fee-For-Service adjudicated claims transfers to those organizations do not result in supplemental payment actions. Rather, the organizations use the claims for duplicate claims payment detection activities, as mandated in Sections 1833 and 1876 of the Social Security Act (in the case of HCPP/HMO Cost Plan transfers), or for enhanced coordination of health care episodes between the Medicare and Medicaid programs (in the case of the MQP initiative). Through this instruction, CMS is now taking steps to ensure that information regarding the MQP and HCPP/HMO Cost Plan activities are no longer displayed within any systems, portals, or applications that external stakeholders routinely access.

Additionally, through Transmittal 1568, Change Request 6103, CMS established the possibility that COBA trading partners may receive RAC-initiated adjustment claims independent of all other claim types. As part of this earlier instruction, CMS advised CWF to not select RAC-initiated adjustment claims (COBA ID 88000--88999) if the original associated Medicare claim had not crossed over. From CWF's perspective, this logic is termed "the COBA crossover disposition indicator R logic." Through this logic, CWF will permit an adjustment claim (including a RAC-initiated adjustment claim) to be selected for crossover only if it determines that the claim originally crossed over to at least one (1) COBA trading partner. More recently, CMS has learned that the current COBA crossover disposition indicator R logic is contributing to many instances where Medicare cannot transmit RAC-initiated adjusted claims to interested COBA trading partners. In the majority of instances, these COBA trading partners have received the original claims through some other means outside the COBA crossover process and now are seeking to retract their supplemental payment, similar to how Medicare is taking back its primary payment. Therefore, CMS is modifying this logic only in association with RAC-initiated claim adjustment situations at this time.

B. Policy: Effective with the implementation of this instruction, CWF shall cease the practice of transmitting copies of BOI auxiliary eligibility records to NGD and MBD when those records contain COBA IDs within the ranges of 79000--79999 and 89000-89999, inclusive. (**NOTE:** Should CMS become aware of issues associated with the display of this information within Health Eligibility Transaction System (HETS), CMS will address this through a separate MBD specific instruction. This change path is needed because MBD is the direct interfacing system with HETS.)

The NGD contractor shall take action to remove all pre-existing records that contain COBA ID ranges 79000-79999 and 89000-89999. Additionally, the CMS NGD team shall ensure that BOI records that feature COBA IDs 79000--79999 and 89000-89999 are no longer displayed in MyMedicare.gov. as sources of "insurance" or "other insurance" for the beneficiary. (**NOTE:** This requirement also applies to pre-existing records that MyMedicare.gov displayed before implementation of this instruction.)

Effective with the implementation of this instruction, in the context of RAC-initiated adjustment processing, CWF shall bypass its COBA crossover disposition indicator R logic when: 1) the shared system has informed CWF that the claim is a RAC-initiated adjustment; and 2) the COBA ID for the COBA trading partner falls within the range of 88000 through 88999.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12091.1	Effective with the implementation of this instruction, CWF shall cease the practice of transmitting copies of BOI auxiliary eligibility records to NGD and MBD when those records contain COBA IDs within the ranges of 79000--79999 and 89000-89999, inclusive. (**NOTE:** Should CMS become aware of issues associated with the display of this information within HETS, CMS will address this through a separate MBD specific instruction. This change path is needed because MBD is the direct interfacing system with HETS.)								X	
12091.2	The NGD contractor shall take action to remove all pre-existing records that contain COBA ID ranges 79000-79999 and 89000-89999.									NGD
12091.2.1	Additionally, the CMS NGD team shall ensure that BOI records that feature COBA IDs 79000--79999 and 89000-89999 are no longer displayed in MyMedicare.gov. as sources of "insurance" or "other insurance" for the beneficiary. **(NOTE:** This requirement also applies to pre-existing records that MyMedicare.gov displayed before									CMS, NGD

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	implementation of this instruction.)									
12091.3	Effective with the implementation of this instruction, in the context of RAC-initiated adjustment processing, CWF shall bypass its crossover disposition indicator R logic when: 1) The shared system has informed CWF that the claim is a RAC-initiated adjustment; and 2) The COBA ID for the COBA trading partner falls within the range of 88000 through 88999.								X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Brian Pabst, brian.pabst@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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.

ATTACHMENTS: 0

80.8 - Inclusion and Exclusion of Specified Categories of Adjustment Claims for Coordination of Benefits Agreement (COBA) Crossover Purposes

(Rev. 10601; Issued: 03-23-21; Effective: 07-01-21; Implementation: 07-06-21)

1. CWF Inclusion of Adjustment Claims

Effective January 5, 2009, the CWF system shall 1) create the newly defined **inclusion** of adjustment claims option, along with 1-byte file displacement, within its version of the COIF; and 2) accept and process this new field when the BCRC transmits it as part of its regular COIF updates.

Upon receipt of a COIF that features a COBA identification number (ID) with specifications to **include** adjustment claims only, the CWF shall select only those claims for COBA crossover that meet the following specifications:

1) The claim's action code=3, entry code=5, or claim adjustment indicator="A"—all of which designate an "adjustment" claim; **and**

2) The claim meets no other exclusion criteria, as specified on the COIF, **or** does **not** meet the NPI placeholder value by-pass exclusion logic.

With the implementation of this change, the CWF shall continue to select adjustment claims only if it previously selected the "original" claim for crossover (logic for adjustment indicator "R"; see §80.4 of this chapter for additional details regarding this logic). *However, please see the exception scenario in section 3 below under "CWF Actions" that applies for Recovery Audit Contractor (RAC)-initiated adjustment claims effective July 6, 2021.*

If the incoming HUIP, HUOP, HUHH, HUHC, HUBC, or HUDC claim contains spaces in the new designated RAC adjustment indicator field, CWF shall select the claim in accordance with the COBA trading partner's claims selection criteria specified on the COIF.

2. CWF Inclusion of Two Categories of Mass Adjustment Claims for Crossover Purposes

Effective January 5, 2009, the CWF system shall 1) create the newly defined **inclusion** of mass adjustment claims—MPFS updates and mass adjustment claims—other options, along with accompanying 1-byte file displacement indicators, within its version of the COIF; and 2) accept and process these new fields when the BCRC transmits them as part of its regular COIF updates.

Upon receipt of a HUIP, HUOP, HUHH, HUHC, HUBC, or HUDC claim transaction, CWF shall take the following actions: 1) Verify that the claim transaction contains an "M" or "O" mass adjustment claim header indicator; 2) verify that the claim's action code=3, or entry code=5, or adjustment header indicator=A; 3) check the COIF to determine if the COBA trading partner wishes to include mass adjustment claims—MPFS or mass adjustment claims--other; 4) **include** the claim for crossover, unless the "original" claim was **not** crossed over (logic for crossover disposition indicator "R") **or** the claim meets any claims exclusion criteria as specified on the COIF.

If the incoming HUIP, HUOP, HUHH, HUHC, HUBC, or HUDC claim contains spaces in the mass adjustment indicator field, CWF shall select the claim per the COBA trading partner's claims selection criteria, as specified on the COIF.

3. CWF Inclusion and Exclusion of Recovery Audit A/B MAC or DME MAC (RAC)-Initiated Adjustment Claims

At CMS's direction, the BCRC has modified the COIF to allow for the unique **inclusion** and exclusion of RAC-initiated adjustment claims. The CWF system shall 1) create the newly defined **inclusion** and **exclusion** of RAC-initiated adjustment options, along with accompanying 1-byte file displacement, on its version of the COIF; and 2) accept and process these new fields when the BCRC transmits them as part of its regular COIF updates.

Effective January 5, 2009, the CWF maintainer created a 1-byte RAC adjustment value in the header of its HUIP, HUOP, HUHH, HUHC, HUBC, and HUDC claims transactions (valid values= "R" or spaces.)

The CWF maintainer shall, in addition, include the 1-byte RAC adjustment indicator in the header of the claim that is posted to history on HIMR, thereby ensuring that CWF displays the indicator when a user accesses the INPH, OUTH, PTBH, DMEH, and related HIMR screens.

Shared System Actions

All shared systems shall develop a method for uniquely identifying all varieties of RAC-requested adjustments, which occur as the result of post-payment review activities.

Prior to sending its processed 11X and 12X type of bill RAC adjustment transactions to CWF for normal verification and validation, the Part A shared system shall input an "R" indicator in the newly defined header field of its HUIP claims transactions if the RAC-initiated adjustment claim meets either of the following conditions:

1) The claim recovery action resulted in Medicare changing its payment decision from paid to denied (i.e., Medicare paid $0.00 as the result of the adjustment performed); **or**

2) The claim recovery action resulted in a Medicare adjusted payment amount that is **equal to or greater than** the amount of the inpatient hospital deductible.

Prior to sending RAC-initiated adjustment claims **with all other type of bill designations** (bill types other than 11X and 12X) to CWF for normal processing, the Part A shared system shall input an "R" indicator in the newly defined header field of the HUOP, HUHH, and HUHC claim transaction.

Prior to sending their processed RAC adjustment transactions to CWF for normal verification and validation, the Part B and DME MAC shared systems shall input an "R" indicator in the newly defined header field of their HUBC and HUDC claim transactions. (See chapter 28, §70.6 for more details.)

CWF Actions

Upon receipt of a claim that contains an "R" in its header in the newly defined field, CWF shall take the additional following actions:

1) Verify that the claim's action code=3, entry code=5, or header claim adjustment indicator=A;

2) Check the COIF to determine if the COBA trading partner wishes to **include** RAC-initiated claims;

3) **Include** the claim for crossover, **unless** *the claim meets any other claims exclusions specified on the COIF;*

4) **Exclude** the claim if the COIF specifies exclusion of RAC-initiated adjustment claims*; and*

5) By-pass its COBA crossover disposition indicator R logic (i.e., only cross over an adjustment claim if CWF previously selected the original claim to be crossed over) effective July 6, 2021, when CWF

determines the incoming claim is a RAC-initiated adjustment claim and the COBA trading partner's COBA ID falls within the range of 88000 through 88999.

In addition, if the incoming HUIP, HUOP, HUHH, HUHC, HUBC, or HUDC claim contains spaces in the new designated RAC adjustment indicator field, CWF shall select the claim in accordance with the COBA trading partner's claims selection criteria, as specified on the COIF.