

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1341	Date: February 6, 2014
	Change Request 8554

SUBJECT: Changing Fiscal Intermediary Shared System (FISS) Action on Informational Unsolicited Responses (IURs) From Canceled Claims to Adjustments

I. SUMMARY OF CHANGES: Adjustments are preferred over cancellations of providers claims when recouping payments based on IURs so that the ability exists for the Contractors to re-open the claims should there be a concern with the accuracy of the IURs. All IURs shall be processed as adjustments and payment rejected based on the CWF error code. This instruction is phase one that will require the IURs for incarcerated beneficiaries and unlawful presence - aliens to be processed as adjustments rather than cancels. A future change request will be issued for phase two that will require the remaining IURs that are performed as cancels be changed to adjustments. The desired outcome remains the same and therefore, the payment will be recouped.

EFFECTIVE DATE: July 1, 2014

IMPLEMENTATION DATE: July 7, 2014

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
N/A	

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 obliged 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: 1341	Date: February 6, 2014	Change Request: 8554
--------------------	--------------------------	-------------------------------	-----------------------------

SUBJECT: Changing Fiscal Intermediary Shared System (FISS) Action on Informational Unsolicited Responses (IURs) From Canceled Claims to Adjustments

EFFECTIVE DATE: July 1, 2014

IMPLEMENTATION DATE: July 7, 2014

I. GENERAL INFORMATION

A. Background: FISS currently cancels claims when an IUR is received for a full claim payment rejection and adjusts claims when the IUR is for a line level rejection of payment. The other Medicare standard systems are processing all IURs as adjustments. Adjustments are preferred over cancellations of providers claims so that the ability exists for the Contractors to re-open the claims should there be a concern with the accuracy of the IURs.

Recently a large volume of IURs were generated in error due to a change in the data file for incarcerated beneficiaries. The erroneous data resulted in the need for Medicare to reverse many canceled claims. However, when claims are canceled in error they have to be resubmitted by the provider or recreated by the system maintainer to be reconsidered for payment. That process is much more resource intensive than the process of re-opening adjustment claims.

B. Policy: A phase-in approach is being taken for changing all IURs that are currently processed as cancels and changing the action to adjusted claims with payment rejected based on the CWF error code. This instruction is for phase one and requires that all incarcerated beneficiaries and the unlawful presence - alien IURs be changed from cancels to adjustments. The purpose of these IURs remains the same and therefore, must result in a take back of the payment. A future change request will be issued for phase 2 that will change the remaining IURs that are processed as cancels to adjustments.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H H H		M A C	F I S S	M C S	V M S		C W F
8554.1	Medicare contractors shall perform claim adjustments (and no longer cancel claims) for ALL IURs transactions for incarcerated beneficiaries and unlawful presence - aliens with payment rejected based on the CWF reason code returned in the trailer.					X					
8554.2	Medicare contractors shall ensure that incoming claims rejecting for incarcerated beneficiary record or unlawful presence - alien are being being posted to the Common Working File (no tape to tape flag X should	X		X							

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	be included on these reason codes).									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
8554.1 and 8554.2	Supporting information for Requirement 1, CWF Trailer details: 1. UNLAWFUL PRESENCE- ALIENIUR Code '5 38Q' UNSOL IND 'A5' Trailer, 2. INCARCERATED BENEFICIARY-INCR IUR Code '538H' UNSOL IND 'A4' Trailer

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

V. CONTACTS

Pre-Implementation Contact(s): Wendy Tucker, wendy.tucker@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

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 do 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.