CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1744	Date: November 4, 2016
	Change Request 9366

SUBJECT: Audit Trail for Reason Code Edit Changes

I. SUMMARY OF CHANGES: The purpose of this change request is to create an audit trail for when a Reason Code is Activated or Inactivated in the FISS system. This will give the MAC Part A contractors a way to enter the reason for the changes and will be populated on to the reports sent to CMS quarterly.

EFFECTIVE DATE: July 1, 2017
*Unless otherwise specified, the effective date is the date of service.
IMPLEMENTATION DATE: April 3, 2017 - Design and analysis; July 3, 2017 - Implementation

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	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 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

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1744	Date: November 4, 2016	Change Request: 9366

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I.   GENERAL INFORMATION

A.   Background: As a result of a CFO audit finding MACs are to justify when a Reason Code Edit was activated or inactivated and is different from the CMS standard.

When a system issue is identified, there are times when CMS will instruct the Medicare Administrative Contractors (MACs) to activate or inactivate reason code edits. Currently there is no audit trail or mechanism for the MACs to identify why the action was taken in the FISS system.

Quarterly all MACs are instructed to deliver system generated reports to CMS that identifies when a reason code is not in compliance with the CMS standard. Each Reason Code change warrants an explanation by the MAC and they have to research or keep track separately from the system the reason for the change.

An audit trail needs to be implemented so there is more automation to this quarterly process.

B.   Policy: When the MACs have to update the Reason Codes for temporary situations, the status of the reason code is out of compliance with the CMS identified standard. During audits, they must provide CMS an explanation that justifies the action.

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	MAC	FISS	MCS	VMS	CWF	
9366.1	The SSM shall provide the ability for the Part A MACs to manually enter justification information and an effective date related to Reason Code updates. This justification field will require the MACs to enter TDL number, CR number or reason/reference and an effective date for each Reason Code update. Note: The reason/reference is to be used when the TDL or CR number is unknown at the time of the update.					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	
9366.1.1	The SSM shall add editing requiring the completion of the new justification field and effective date for any reason code that has a status change (for example: Active to Inactive or Inactive to Active).					X				
9366.1.2	The justification field will be able to accommodate 30 characters not including the date field.					X				
9366.2	FISS shall modify FSSW0748, Medicare Part A Edit/Reason Code Status Report - Compliant and Non-compliant Edits/Reason Codes, adding the two new fields, justification and the effective date.					X				
9366.2.1	All status changes for the quarter shall be included in the report.					X				
9366.2.2	The MACs shall update the justification field and the effective date each time a reason code has been changed from the CMS STD (CMS standard). Entries include TDL number, CR number or email notice with the date of the email.	X		X						
9366.2.3	The MACs shall update all current Reason Codes that are not compliant with the CMS Standard with the known justification and dates. Once the release is implemented the updates would have to be performed prior to the quarterly reports to be run. This is a one time occurrence.	X		X						
9366.3	FISS shall modify FSSW0747, Medicare Part A Edit/Reason Code Status Report - All Edits/Reason Codes, to include ALL FISS & MAC reason codes including blanks, WW's, U's, MAC created reason codes, etc					X				
9366.4	FISS shall modify the FSSW0748 report to only include reason codes that are standard across all MACs . Note: FISS shall continue to exclude CWF edits from this report.					X				
9366.5	FISS shall redesign the FSSW0748 report into a two section report that contain all the standard reason codes that are across all MACs.					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9366.5.1	Section 1 – Contain any changes made to the CMS Standard that are a byproduct of maintainer actions (adding new codes, deleting codes, etc.). The report will be labeled "CMS Standard Changes by Maintainer". • Include tracking of changes over the report time frame. That is, if the standard was changed five times during a report period, there should be five report entries that show each time the change was made, even though the code would be at the same value at the beginning and end of the reporting period.					X				
9366.5.2	Section 2 – Any inconsistencies through changes by the MAC's from the CMS standard codes. The report heading will be labeled "CMS Standard Changes by MAC". • The reason codes in this section will only have the last disposition at the time when the report is run. • Changes that a MAC made to the status field of the reason code file that deviates from CMS Standard codes and back to the standard • Include if a reason code is unassigned (Status Code U or blank) and the MAC has a setting that deviates from the CMS standard. • Include all history of activity for each Reason Code from the reporting period. That is, if the standard was changed five times during a report period, there should be five report entries that show each time the change was made, even though the code would be at the same value at the beginning and end of the reporting period. • This report shall exclude any reason codes that are set up by the MACs and are not standard across jurisdictions.					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9366.6	The SSM will work with CMS by having three 1 hour calls to establish a process for updating Reason Codes that should not have the CMS STD set to active any longer. There have been examples where the RC have been deemed permanently inactive or per instruction (TDL or Email) from a component or the RC is deemed no longer valid.					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:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

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

V. CONTACTS

Pre-Implementation Contact(s): Rose Salloum, 410-786-0190 or rose.salloum@cms.hhs.gov , Kay Curry, 410-786-1801 or kay.curry@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