CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 202	Date: MAY 18, 2007
	Change Request 5246

SUBJECT: Medical Review Re-openings

I. SUMMARY OF CHANGES: Section 937 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 requires the Secretary to establish a process for the correction of minor errors and omissions that do not necessitate the use of the formal appeals process. To meet that requirement, CR 5252 provides instructions to medical review (MR) units to re-open claims that the MR staff have denied due to no documentation rather than requiring providers to go through the appeals process. This OTN includes instructions for reporting re-opening activities in the Program Management Reporting System (PIMR).

NOTE: These requirements only apply to those contractors who perform some or all medical review (MR) functions; conversely, the requirements do not apply to those contractors that only perform MR for benefit integrity. Furthermore, the MR program safeguard contractors only apply the requirements included in this OTN related to functions they perform as stated in their individual task

NEW / REVISED MATERIAL
EFFECTIVE DATE: OCTOBER 1, 2007
IMPLEMENTATION DATE: OCTOBER 1, 2007

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/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-08	Transmittal: 202	Date: May 18, 2007	Change Request 5246

SUBJECT: Medical Review Re-openings

Effective Date: October 1, 2007
Implementation Date: October 1, 2007

I. GENERAL INFORMATION

A. Background: Section 937 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) requires the Secretary to establish a process for the correction of minor errors and omissions that do not necessitate the use of the formal appeals process. To meet that requirement, CR 5252 provides instructions to medical review (MR) units to re-open claims that the MR staff have denied due to no documentation rather than requiring providers to go through the appeals process. This OTN includes instructions for reporting re-opening activities in the Program Management Reporting System (PIMR).

NOTE: These requirements only apply to those contractors who perform some or all medical review (MR) functions; conversely, the requirements do not apply to those contractors that only perform MR for benefit integrity. Furthermore, the MR program safeguard contractors (PSCs) only apply the requirements included in this OTN related to functions they perform as stated in their individual task orders.

B. Policy: The purpose of this OTN is to provide instructions for PIMR and CAFM-II reporting of activities related to the re-openings of claims which are initially denied as a result of no response to an additional documentation request from MR and are subsequently forwarded to MR for reopening from the appeals department in accordance with CMS Pub. IOM 100-04, chapter 34, §10.3. In accordance with CFR §405.980 and CR 5252, the MR staff shall re-open these denials and adjudicate them through the progressive corrective action process.

NOTE: This OTN does not impact beneficiaries; it only impacts contractors

II. BUSINESS REQUIREMENTS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
5246.1	The FISS and MCS shared systems maintainers shall do the following							X	X			

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DME RC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
	with regard to PIMR reporting of re-openings: In time for contractors and PSCs to begin reporting PIMR activity type code 21210, where appropriate, by the implementation date of this OTN, shared system maintainers shall develop shared system modifications that generate PIMR activity type code 21210 (either directly or from a reason code) or allow manual entry of PIMR activity type code 21210 when providers request a re-opening in accordance with CFR §405.942(1) and CR 5252, and contractors or PSCs review the submission. . **NOTE:** This requirement only applies to claims that the contractor initially denied with either an N102 or a 56900 reason code.											
5246.2	The VMS shared system maintainer shall continue to use activity types 21002R (Prepay Routine Reconsiderations) and 21201R (Prepay Complex Reconsiderations) when providers request a re-opening in accordance with CFR §405.942(1) and CR 5252, and a contractor or PSC reviews the submission. **NOTE:** This only applies to claims that the contractor MR department initially denied with an N102 reason code.									X		
5246.2.1	The DME PSCs shall report 21201R and 21002R as 21210 to CAFM II.											DME PSCs

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DME RC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
	The PIMR database will translate these activity types to 21210 when received from VMS.											
5246.3	Contractor data centers shall insure that they have installed the modifications required in 5246.1 and 5246.2 in time for contractors to begin reporting activity type code 21210, 21201R, or 21002R where appropriate by the implementation date of the OTN.	X	X	X	X	X	X					DME PACs
5246.4	Contractors shall insure that they begin reporting activity type code 21210 where appropriate by the implementation date of the OTN. Note that 21210 (MCS and FISS) and 21201R and 21002R (VMS) will always be counted as a PIMR activity regardless of whether the claim received other review previously.	X		X	X		X					DME PSCs
5246.4.1	As with all PIM reporting, contractors shall include workload and savings data from re-opening decisions in the data of the revised decision quarter, not the quarter in which the original denial occurred.	X		X	X		X					DME PSCs
5246.4.2	Contractors shall insure that they report information on code 21210 where appropriate in both PIMR and CAFM II.	X		X	X		X					
5246.4.3	Contractors shall not count review of adjustments, other than review of adjustments required for re-openings, as MR review.	X		X	X		X					DME PSCs

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
	None.											

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

X-Ref Requirement Number	Recommendations or other supporting information:
5246.1 – 5246.4	The suggested PIMR activity code hierarchy (from most expensive to least expensive) is 21201R, 21002R, 21210, 21220, 21221, 21002, 21001L, 21001N, 21001I, and 23007. The shared systems may use this hierarchy when the system could assign multiples activity codes to a line.

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s): John Stewart (410) 786-1189 or JStewart@CMS.HHS.GOV
Post-Implementation Contact(s): John Stewart (410) 786-1189 or JStewart@CMS.HHS.GOV

VI. FUNDING

A. ***For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC):***

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. ***For Medicare Administrative Contractors (MAC):***

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified 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.