CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 996	**Date: November 4, 2011**
	Change Request 7521

NOTE: Transmittal 980, dated October 27, 2011, is being rescinded and replaced by Transmittal 996, dated November 4, 2011, to correct the subject title of the transmittal to match the One Time Notification Attachment. All other information remains the same.

SUBJECT: Creating Payor ID for Medicare Advantage Encounter Data Submission

I. SUMMARY OF CHANGES: CMS will collect and price MA Plan encounter data. The data will be collected from the MA Plans in the 837X Version 5010 format and submitted to a single encounter data front end system contractor. The MA Plans will submit adjudicated data which will be processed using the Medicare Encounter Data Processing and Pricing System based on modified versions of the Medicare FFS claims processing systems.

The purpose of this Change Request is to establish the Payor ID 80887 (DME) within CWF for the encounter data front end system contractor, Palmetto, GBA. This Payor ID shall allow the Encounter Data Front End System (Palmetto, GBA) to receive DME encounters from Medicare Advantage Organziations (MAOs) and Third Party Submitters.

EFFECTIVE DATE: April 1, 2012
IMPLEMENTATION DATE: April 2, 2012

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 Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

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

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

Attachment – One Time Notification

Pub. 100-20	Transmittal: 996	Date: November 4, 2011	Change Request: 7521

NOTE: Transmittal 980, dated October 27, 2011, is being rescinded and replaced by Transmittal 996, dated November 4, 2011, to correct the subject title of the transmittal to match the One Time Notification Attachment. All other information remains the same.

SUBJECT: Creating Payor ID for Medicare Advantage Encounter Data Submission

Effective Date: April 1, 2012
Implementation Date: April 2, 2012

I. GENERAL INFORMATION

A. Background:

Currently Medicare Advantage (MA) plans submit data in an abbreviated claims format to CMS to provide the diagnostic information used in calculating the health status component of the beneficiary risk scores, which is used as the basis for the MA plan payment. MA plans do not currently submit information on each encounter and do not submit most elements included in the ANSI 5010 format, such as Current Procedural Terminology (CPT) codes that might be used to calculate a Fee-For-Service (FFS) payment. Therefore, CMS uses FFS data to determine beneficiary utilization patterns to predict costs in the MA program.

Adding all of a beneficiary's health care encounter data to the existing risk adjustment system will improve the accuracy of the risk adjustment model used to pay MA plans by reflecting the appropriate patterns of utilization and costs within the MA program. Thus, CMS will collect and price MA Plan encounter data to establish risk adjustment models based on MA cost and utilization.

The data will be collected from the MA Plans in the 837X Version 5010 format and submitted to a single encounter data front end system contractor. The MA Plans will submit adjudicated data which will be processed using the Medicare Encounter Data Processing and Pricing System based on modified versions of the Medicare FFS claims processing systems.

The purpose of this Change Request is to establish the Payor ID 80887 (DME) within CWF for the encounter data front end system contractor, Palmetto, GBA. This Payor ID shall allow the Encounter Data Front End System (Palmetto, GBA) to receive DME encounters from Medicare Advantage Organizations (MAOs) and Third Party Submitters.

B. Policy:

The Inpatient Prospective Payment System Rule for 2009, published August 19, 2008, revised section 422.310 of the 42 Code of Federal Regulations and clarified that MA plans can be required to submit encounter data for each item and service provided to an MA plan enrollee.

In 2009, CMS changed its regulations to reassert the agency with the authority to collect encounter data, as already supported by statute. CMS has more recently notified stakeholders of the intent to collect encounter data in the 2010 Advance Notice, which was released in February 2009. Thus CMS will collect Part C

utilization and cost data from MA plans. Encounter data will enhance CMS' ability to measure and price utilization in the managed care sector.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7521.1	Contractors shall make changes where necessary to accommodate the Medicare Advantage Encounter Data System Payor ID of 80887 for DME encounter data. The encounter data front end contractor shall be Palmetto, GBA. The address shall be the same as that for contract number GS-35F-0462V: Palmetto, 17 Technology Circle, Columbia, SC 29203.									X	Palmetto

III. PROVIDER EDUCATION TABLE

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

IV. SUPPORTING INFORMATION

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

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): michael.massimini@cms.hhs.gov 410-786-1566 or sharon.winchester@cms.hhs.gov 410-786-4787

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

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs)*:

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

Section B: *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.