
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Transmittal 438

Date: JANUARY 21, 2005

CHANGE REQUEST 3645

SUBJECT: Fiscal Intermediary Standard Paper Remittance Advice Changes

I. SUMMARY OF CHANGES: Fiscal intermediaries (FIs) must eliminate issuance of standard paper remittance advice notices (SPRs) to those providers (or a billing agent, clearinghouse, or other entity representing those providers) sent electronic remittance advice (ERA) transactions for 30 days. FIs must also eliminate reporting of their telephone number on their SPRs.

NEW/REVISED MATERIAL - EFFECTIVE DATE: July 1, 2005

***IMPLEMENTATION DATE: July 5, 2005**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

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

***III. FUNDING:** These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

Attachment – One Time Notification

Pub. 100-04	Transmittal: 438	Date: January 21, 2005	Change Request 3645
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SUBJECT: Fiscal Intermediary Standard Paper Remittance Advice Changes

I. GENERAL INFORMATION

Fiscal intermediaries (FI) must terminate issuance of standard paper remittance advice notices (SPRs) to those providers (or a billing agent, clearinghouse, or other entity representing those providers) currently receiving electronic remittance advice (ERA) transactions for at least 30 days and to other providers (or their representatives) once they have received an ERA in production for 30 days. FIs must also eliminate reporting of their telephone number(s) on their SPRs.

A. Background:

Section A – FI/RHHI Elimination of Issuance of SPRs to Providers that Have Been Sent ERAs for 30 Days.

Publication 100-04, Chapter 22, Section 40.1 of the Medicare Claims Processing section of the Internet Only Manual (IOM) states: “FIs allow providers to receive a hard copy remittance in addition to the 835 during the first 30 days of receiving ERAs and during other testing. After that time, FIs do not send a hard copy version of the 835, in addition to the electronic transmission, in the production mode. They should contact CMS if this requirement causes undue hardship on a particular FI provider.” This same requirement was included in the Medicare Intermediary Manual, the predecessor of the IOM for more than 5 years.

The Centers for Medicare and Medicaid Services (CMS) discovered that this IOM requirement has not been uniformly implemented. In JSM 412, issued September 7, 2004, CMS directed FIs and RHHIs to stop sending SPRs to providers (or a billing agent, clearinghouse, or other entity representing a provider) by January 1, 2005, that had been sent ERAs for 30 days. Although some FIs and RHHIs could achieve this through individual local modifications, comments submitted to CMS by FIs/RHHIs subsequent to that JSM indicated that for uniform application by all FIs, programming changes would need to be made by the Fiscal Intermediary Shared System (FISS) maintainer. This CR is being issued to have the change included in the FISS maintainer release schedule.

By July 5, 2005, the FISS maintainer must modify programming as needed and all FIs must stop sending SPRs to each provider (or a billing agent, clearinghouse, or other entity representing a provider) that has received ERAs for 30 days (or more than 30 days in the case of a provider that began to receive ERAs more than 30 days prior to July 5). FIs may continue to send a provider SPRs during the 30-day period that begins with initial successful transmission of the providers first ERAs. FIs may generate SPRs for internal use by FI staff, and issue SPRs to ERA receivers in the event of any subsequent system problem expected to disrupt ERA delivery for two or more business days.

Section B – Elimination of Contractor Phone Number(s) on SPRs

FIs currently report their phone number in their SPRs but not in their ERAs. CMS prohibits inclusion of information in an SPR that is not reported in an ERA to eliminate a possible incentive for provider use of an SPR rather than an ERA. Although the ERA has a segment (PER) for reporting of a contractor’s phone number, at FI request some time ago, a field for reporting of an FI phone number was not included in the FISS flat file used to generate ERAs. For consistency, by July 5, 2005, FIs must eliminate printing of their telephone number in their SPRs. Each FI must continue to publish its phone number and other contact information on their website and in their newsletters/bulletins.

B. Policy: Medicare contractors are prohibited from reporting of any data in an SPR that is not included in an ERA to eliminate a possible incentive for provider use of an SPR rather than an ERA.

C. Provider Education: A provider education article related to this instruction will be available at <http://www.cms.hhs.gov/medlearn/matters> shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CFW	
						F	M	V	C	
						I	C	M	W	
S	S	S	F							
3645.1	Section A: By July 5, 2005, the FISS maintainer shall complete programming changes to enable FIs/RHHIs to terminate issuance of SPRs effective with the 31 st calendar day following successful transmission of ERAs to a provider (or a provider agent) in production.	X	X			X				

		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CSF	
						F I S S	M C S	V M S	C W F	
3645.2	Section B: By July 5, 2005, FIs/RHHIs shall stop reporting their telephone number on their SPRs.	X	X			X				

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: July 1, 2005 Implementation Date: July 5, 2005 Pre-Implementation Contact(s): Sumita Sen, ssen@cms.hhs.gov 410-786-5755 Post-Implementation Contact(s): Sumita Sen, ssen@cms.hhs.gov 410-786-5755	These instructions shall be implemented within your current operating budget.
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