CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 533

Department of Health & Human Services

Center for Medicare and & Medicaid Services

Date: APRIL 29, 2005

Change Request 3842

SUBJECT: **Modification to the Common Working File (CWF) Edit Process for Non-Assigned Medicaid Coordination of Benefits Agreement (COBA) Crossover Claims**

I. SUMMARY OF CHANGES: Through this change request (CR), the CWF maintainer shall be required to return edit 5248 and a Medicaid reply trailer 36 when CWF receives non-assigned Medicaid claims only when CWF determines that the Medicaid COBA trading partner is in production status with the Coordination of Benefits Contractor (COBC). The manual sections cited below will be updated to reflect this modification to the previous instructions on this subject communicated via Transmittal 138 (CR 3218).

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 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
R	27/80.14/Consolidated Claims Crossover Process

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

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

Attachment - Business Requirements

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SUBJECT: Modification to the Common Working File (CWF) Edit Process for Non-Assigned Medicaid Coordination of Benefits Agreement (COBA) Crossover Claims

I. GENERAL INFORMATION

A. Background: Currently, in accordance with CMS guidelines, Medicare carriers and Durable Medical Equipment Regional Carriers (DMERCs) change the provider assignment decision on crossover claims to State Medicaid Agencies (SMAs) from non-assigned to assigned when they determine, through their crossover eligibility file submissions, that a beneficiary is eligible for Medicaid in addition to Medicare. Through requirement 19 of Transmittal 138 (Change Request 3218), CMS required the Common Working File (CWF) to reject non-assigned Medicaid claims back to the carrier and DMERC systems with an edit (edit 5248) to ensure that the assignment decision would be changed before the claim would be transferred to the Coordination of Benefits Contractor (COBC). CMS did not introduce the COBA Test/Production Indicator requirement (T=trading partner is in COBA test mode; P=trading partner is in COBA production mode), which would be returned to each Medicare contractor via the CWF Beneficiary Other Insurance (BOI) reply trailer (29), until the issuance of Transmittal 158 (Change Request 3273). Therefore, CMS never expressly stated that CWF shall return edit 5248 to the carrier or DMERC system only when a Medicaid trading partner was in COBA production mode with the COBC.

B. Policy: Requirement 19 of Transmittal 138 is being modified through this instruction to ensure that CWF only returns edit 5248 for non-assigned Medicaid claims when the Medicare trading partner is in COBA production mode (Test./Production Indicator=P).

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3842.1	When CWF receives a non-assigned claim for which there is a corresponding COBA ID in the Medicaid COBA ID range (70000-77999), it shall <u>only</u> reject the claim by returning edit 5248 to the carrier or DMERC system when the								X	

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	Medicaid trading partner is in COBA production mode with the COBC (i.e., the Test/Production Indicator=P). In addition, CWF shall only return a Medicaid reply trailer (36) to the carrier or DMERC when a Medicaid COBA trading partner is in production mode with the COBC.									
3842.1-1	CWF shall determine that a Medicaid trading partner (COBA ID range 70000-77999) is in production mode by referring to the latest COBA Insurance File (COIF) update it has received and processed.								X	
3842.1-2	All other components of requirement 19 of Transmittal 138 involving carrier or DMERC action shall remain unchanged.			X	X		X	X		

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	None.									

IV. SUPPORTING INFORMATION AND 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

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: **July 1, 2005** **Implementation Date: July 5, 2005** **Pre-Implementation Contact(s):** Brian Pabst (410-786-2487) **Post-Implementation Contact(s):** Brian Pabst (410-786-2487)	**No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.**

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

80.14 - Consolidated Claims Crossover Process

(Rev.533, Issued: 04-29-05, Effective: 07-01-05, Implementation: 07-05-05)

A. The Mechanics of the CWF Claims Selection Process and BOI and Claim-based Reply Trailers

1. CWF Receipt and Processing of the Coordination of Benefits Agreement Insurance File (COIF)

Effective July 6, 2004, the COBC will begin to send copies of the Coordination of Benefits Agreement Insurance File (COIF) to the nine CWF host sites on a weekly basis. The COIF will contain specific information that will identify the COBA trading partner, including name, COBA ID, address, and tax identification number (TIN). It will also contain each trading partner's claims selection criteria exclusions (claim or bill types that the trading partner does not want to receive via the crossover process) along with an indicator (Y=Yes; N=No) regarding whether the trading partner wishes its name to be printed on the Medicare Summary Notice (MSN). During the COBA parallel production period, which is estimated to run from July 6, 2004, to October 1, 2004, CWF will exclusively return an "N" MSN indicator to the intermediary or carrier.

The CWF shall load the initial COIF submission from COBC as well as all future weekly updates.

Upon receipt of a claim, the CWF shall take the following actions:

a. Search for a COBA eligibility record on the BOI auxiliary record for each beneficiary and obtain the associated COBA ID(s) [NOTE: There may be multiple COBA IDs];

b. Refer to the COIF associated with each COBA ID (NOTE: CWF shall pull the COBA ID from the BOI auxiliary record) to obtain the COBA trading partner's name and claims selection criteria;

c. Apply the COBA trading partner's selection criteria; and

d. Transmit a BOI reply trailer 29 to the Medicare intermediary or carrier <u>only</u> if the claim is to be sent, via 837 COB flat file or National Council for Prescription Drug Programs (NCPDP) file, to the COBC to be crossed over. (See Pub.100-4, Chap. 28, §70.6 for more information about the claim file transmission process involving the Medicare intermediary or carrier and the COBC.)

Effective with the October 2004 systems release, CWF shall read the COIF submission to determine whether a Test/Production Indicator "T" (test mode) or "P" (production mode) is present. CWF will then include the Test/Production Indicator on the BOI reply trailer 29 that is returned to the Medicare intermediary or carrier. (See additional details below.)

2. BOI Reply Trailer 29 Processes

For purposes of eligibility file-based crossover, if CWF selects a claim for crossover, it shall return a BOI reply trailer 29 to the Medicare intermediary or carrier. The returned BOI reply trailer 29 shall include, in addition to COBA ID(s), the COBA trading partner name(s), an "A" crossover indicator that specifies that the claim has been selected to be crossed over, the insurer effective and termination dates, and a 1-digit indicator ["Y"=Yes; "N"=No] that specifies whether the COBA trading partner's name should be printed on the beneficiary MSN. Effective with the October 2004 systems release, CWF shall also include a 1-digit Test/Production Indicator "T" (test mode) or "P" (production mode) on the BOI reply trailer 29 that is returned to the intermediary or carrier.

B. MSN Crossover Messages

As specified above, during the COBA parallel production period (July 6, 2004, to October 1, 2004), CWF will exclusively return an "N" MSN indicator via the BOI reply trailer, in accordance with the information received via the COIF submission. If an intermediary or carrier receives a "Y" MSN indicator during the parallel production period, it shall ignore it.

Beginning with the October 2004 systems release, when a contractor receives a BOI reply trailer 29 from CWF that contains a Test/Production Indicator "T" (test mode), it shall ignore the MSN Indicator provided on the trailer. Instead, the Medicare intermediary or carrier shall follow its existing procedures for inclusion of trading partner names on MSNs for those trading partners with whom it has existing Trading Partner Agreements (TPAs).

Beginning with the October 2004 systems release, when an intermediary or carrier receives a BOI reply trailer 29 from CWF that contains a Test/Production Indicator "P" (production mode), it shall read the MSN indicator (Y=Yes, print trading partner's name; N=Do not print trading partner's name) returned on the BOI reply trailer 29. (Refer to Pub.100-4, chapter 28, §70.6 for additional details.)

C. Electronic Remittance Advice (835)/Provider Remittance Advice Crossover Messages

Beginning with the October 2004 release, when contractors receive a BOI reply trailer (29) from CWF that contains a "T" Test/Production Indicator, they shall not print information received from the BOI reply trailer (29) in the required crossover fields on the 835 Electronic Remittance Advice or other provider remittance advice(s) that is/are in production. Contractors shall, however, populate the 835 ERA (or provider remittance advice(s) in production) with required crossover information when they have existing agreements with trading partners.

Beginning with the October 2004 release, when contractors receive a BOI reply trailer (29) from CWF that contains a "P" Test/Production Indicator, they shall use the returned BOI

trailer information to take the following actions on the provider's 835 Electronic Remittance Advice:

1. Record code 19 in CLP-02 (Claim Status Code) in Loop 2100 (Claim Payment Information) of the 835 ERA (v. 4010-A1). [NOTE: Record "20" in CLP-02 (Claim Status Code) in Loop 2100 (Claim Payment Information) when Medicare is the secondary payer.]

2. Update the 2100 Loop (Crossover Carrier Name) on the 835 ERA as follows:

- NM101 [Entity Identifier Code]—Use "TT," as specified in the 835 Implementation Guide.

- NM102 [Entity Type Qualifier]—Use "2," as specified in the 835 Implementation Guide.

- NM103 [Name, Last or Organization Name]—Use the COBA trading partner's name that accompanies the first sorted COBA ID returned to you on the BOI reply trailer.

- NM108 [Identification Code Qualifier]—Use "PI" (Payer Identification.)

- NM109 [Identification Code]—Use the first COBA ID returned to you on the BOI reply trailer. (See line 24 of the BOI aux. file record.

If the 835 ERA is not in production and the contractor receives a "P" Test/Production Indicator, it shall use the information provided on the BOI reply trailer (29) to populate the existing provider remittance advices that it has in production.

When a beneficiary's claim is associated with more than one COBA ID (i.e., the beneficiary has more than one health insurer/benefit plan that has signed a national COBA), CWF shall sort the COBA IDs and trading partner names in the following order: 1) Eligibility-based Medigap, 2) Supplemental, 3) TRICARE, 4) Others, and 5) Eligibility-based Medicaid. When two or more COBA IDs fall in the same range (see item 24 in the BOI Auxiliary File table above), CWF shall sort numerically within the same range.

3. Claim-Based Medigap and Medicaid Crossover Processes Involving CWF

As with eligibility file-based crossover, the CWF shall load the initial COIF submission from the COBC as well as all future updates that pertain to claim-based Medigap insurers and State Medicaid Agencies.

For claim-based crossover, the CWF shall only search the Coordination of Benefits Agreement Insurance File (COIF) if the carrier or DMERC has included a claim-based Medigap ID (55000—59999) or claim-based Medicaid ID (78000-79999) in field 36 of the

HUBC or HUDC query. If claim-based COBA IDs are entered in field 36 of the HUBC or HUDC query, CWF shall:

a. Search the COIF to locate the claim-based Medicaid and/or Medigap COBA ID and corresponding COBA Trading Partner Name;

b. Apply the Medigap claim-based trading partner's claims selection criteria;

c. Return a Claim-based reply trailer 37 to the carrier or DMERC that includes values for claim-based COBA ID (sorted by Medigap, then Medicaid), COBA Trading Partner Name, and MSN Indicator when a claim-based COBA ID is found on the COIF and the claim is to be sent to the COBC to be crossed over;

d. Return an alert code 7704 on the "01" response via a Claim-based alert trailer 21 to the carrier or DMERC, as specified in Requirement 23 above, if a claim-based COBA ID in the Medigap claim-based range (55000-59999) is not located on the COIF; and

e. Return nothing to the carrier or DMERC if a Medicaid claim-based COBA ID (78000-79999) is not found on the COIF.

As established above, the CWF will only return a Claim-based reply trailer 37 if: 1) it locates a claim-based COBA ID on the COIF, and 2) the claim is to be sent to the COBC for crossover.

4. CWF Treatment of Non-assigned Medicaid Claims

When CWF receives a non-assigned Medicare claim for a beneficiary whose BOI auxiliary record contains a COBA ID with a current effective date in the Medicaid eligibility-based range (70000-77999), it shall reject the claim *by returning edit 5248 to the carrier or DMERC system only when the Medicaid COBA trading partner is in production mode (Test/Production Indicator=P) with the COBC.* At the same time, CWF shall *only* return a Medicaid reply trailer 36 to the carrier or DMERC that contains the trading partner's COBA ID and beneficiary's effective and termination dates under Medicaid *when the Medicaid COBA trading partner is in production mode with the COBC. CWF shall determine that a Medicaid trading partner is in production mode by referring to the latest COBA Insurance File (COIF) update it has received.*

If, upon receipt of CWF edit 5248 and the Medicaid reply trailer (36), the carrier or DMERC determines that the non-assigned claim's service dates fall during a period when the beneficiary is eligible for Medicaid, it shall convert the assignment indicator from "non-assigned" to "assigned" and retransmit the claim to CWF. After the claim has been retransmitted, the CWF will only return a BOI reply trailer to the carrier or DMERC if the claim is to be sent to the COBC to be crossed over.

5. Additional Information Included on the HUBC and HUDC Queries to CWF

Effective with the January 2005 release, the carrier and DMERC shared systems will be required to include an indicator “L” (beneficiary is liable for the denied service[s]) or “N” (beneficiary is not liable for the denied service[s]) in an available field on the HUBC and HUDC queries to CWF for claims on which all line items are denied. The liability indicators (L or N) will be at the header or claim level rather *than* at the line level.

Currently, the DMERC shared system is able to identify, through the use of an internal indicator, whether a submitted claim is in the National Council for Prescription Drug Programs (NCPDP) format. The DMERC shared system shall pass an indicator “P” to CWF in an available field on the HUDC query when the claim is in the NCPDP format. The indicator “P” shall be included in a field on the HUDC query that is separate from the fields used to indicate whether a beneficiary is liable for all services denied on his/her claim.

CWF shall read the new indicators passed via the HUBC or HUDC queries for purposes of excluding 100 percent denied claims with or without beneficiary liability and NCPDP claims.