

CMS Manual System

Department of Health & Human Services

Pub 100-04 Medicare Claims Processing

Center for Medicare and Medicaid Services

Transmittal 570

Date: MAY 27, 2005

Change Request 3887

SUBJECT: Common Working File (CWF): Addition of Disease Management Auxiliary File

I. SUMMARY OF CHANGES: This Change Request instructs the CWF maintainer to take steps to display Option Code 4 plans in a separate and distinct area of the beneficiary master record.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : October 1, 2005

IMPLEMENTATION DATE : October 3, 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
N/A	

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:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 570	Date: May 27, 2005	Change Request 3887
-------------	------------------	--------------------	---------------------

SUBJECT: Common Working File (CWF): Addition of Disease Management Auxiliary File

I. GENERAL INFORMATION

A. Background: CMS is conducting several large coordinated care/disease management demonstrations and other programs under which private organizations contract with CMS to provide specified add-on services to beneficiaries who are enrolled in traditional Fee-for-Service (FFS) Medicare. CMS pays these contracting organizations a fixed “per member per month” (PMPM) payment for each beneficiary who chooses to enroll in the respective contracting organization’s coordinated care/disease management program, to cover the fees for the add-on services. The organizations do not pay any claims on behalf of enrolled beneficiaries, and enrollment in these programs does not affect how a beneficiary’s Medicare claims are processed.

Pursuant to Change Request (CR) 3410, “Use of Group Health Plan Payment System/MMCS to Pay Capitated Payments to Chronic Care Improvement Organizations Serving Medicare Fee-for-Service Beneficiaries under Section 721 of the MMA,” published July 30, 2004, each of these contracted coordinated care/disease management programs is currently set up as an Option Code 1, Group Health Plan, in the Medicare Managed Care System (MMCS), which is otherwise used to pay Medicare Advantage health plans. By enrolling beneficiaries under these contracted coordinated care/disease management programs under Option Code 1, CMS is able to pay the contracting organizations the PMPM fee, for each beneficiary they have enrolled, and all Fee-for-Service claims continue to be processed under traditional Medicare payment rules.

To further differentiate between the coordinated care/disease management programs and Medicare Advantage plans, Option Code 4 (Medicare FFS Disease Management Program) was created. This new Option Code 4 specifies that the beneficiary is not in a Medicare Advantage program. Beneficiaries who participate in the contracted coordinated care/disease management programs will now be enrolled under Option Code 4, which will function the same as Option Code 1 and will continue to allow all Fee-for-Service claims for these beneficiaries to be processed under traditional Medicare payment rules.

Pursuant to CR 3283, “Use of Group Health Plan Payment System to Pay Capitated Payments to Non-Health Plan Demonstrations Serving Medicare Fee-for-Service Beneficiaries,” published May 14, 2004, the CWF maintainer created a reference table populated from a supplied list of all applicable coordinated care/disease management demonstration programs, which are identified by their “H” number.

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				O t h e r
F I S S	M C S					V M S	C W F			
3887.2	The CWF shall populate the Disease Management Auxiliary File when an Option Code = 4 is present on an HHMO transaction received by CWF from the CMS Enrollment Database (EDB) nightly feed.								X	

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				O t h e r
F I S S	M C S					V M S	C W F			
	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

<p>Effective Date*: October 1, 2005</p> <p>Implementation Date: October 3, 2005</p> <p>Pre-Implementation Contact(s): Melissa Dehn: melissa.dehn@cms.hhs.gov, Louisa Rink: louisa.rink@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Melissa Dehn, Louisa Rink</p>	<p>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------

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