

# Program Memorandum Intermediaries/Carriers

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

Transmittal AB-01-93

Date: JUNE 28, 2001

CHANGE REQUEST 1750

**SUBJECT: Claims Processing Instructions for the Medicare Coordinated Care  
Demonstration --Correction and Enhancement**

This Program Memorandum (PM) amends previous PM, Change Request (CR) 1548 issued as Transmittal No. AB-01-30, dated February 12, 2001. **This CR will reduce the work effort required by limiting the impact on carriers and simplifying billing procedures followed by demonstration sites. It is intended to clarify the requirements in CR 1548 and update the list of contractors affected.**

The following modifications have been made as part of this CR:

- Elimination of all demonstration claims processing by fiscal intermediaries,
- Consolidation of all claims processing to two carriers, NHIC-California and Trailblazers,
- Revised instructions for physicians providing case management services under the demonstration,
- Clarification of payment for monthly case management fee during enrollment and disenrollment months, and
- Addition of a new demonstration site.

**NOTE:** Except as specifically stated and revised, all provisions of the previous instructions remain in effect.

## **I. Number of Demonstration Sites**

In addition to the fifteen sites previously designated in CR 1548, a sixteenth site is being added to the demonstration: Lovelace Health Systems. Attached is an updated Attachment III to the original Attachment III in CR1548 showing all demonstration sites and contractors affected by this demonstration.

## **II. Effective Date of Demonstration Sites**

Implementation of all of the sites will be phased in after July 1, 2001. The new site, Lovelace, will be operational on or about August 1, 2001. The remaining sites will be phased in over the months following.

**HCFA-Pub. 60AB**

### **III. Role of Fiscal Intermediaries**

It has been determined that the Georgetown demonstration site will not be submitting any claims to the fiscal intermediary. Therefore, no fiscal intermediary will be required to process any demonstration claims. The role of the fiscal intermediary will be to process the Notices of Election (NOE) in accordance with the procedures outlined in CR 1548.

All demonstration sites have been assigned Part A numbers for submitting NOEs. The two sites located in an area where the fiscal intermediary is not operating on the selected standard system (FISS) will submit NOEs to a fiscal intermediary operating on FISS, Empire. Please reference the attached revised Attachment III showing the fiscal intermediaries to be used by each site for processing NOEs.

### **IV. Impact on Carriers**

#### **A. Carriers Affected**

It has been decided to consolidate the majority of Part B claims processing activity under this demonstration with a single carrier, NHIC-California. One site, the University of Maryland, will remain with its current carrier, Trailblazers, for processing demonstration claims. All other demonstration sites, regardless of geographic location will be submitting demonstration claims (HCPCS codes: G9001-G9012)) to NHIC for payment. NHIC will work with the demonstration sites, HCFA demonstration staff, and HCFA's technical consultants to get the information needed to assign new carrier identification numbers where needed.

Should demonstration sites provide services which are covered under the traditional fee for service Medicare program, they will be billed separately using their traditional Medicare provider identification numbers to their traditional carriers. Please reference the attached revised Attachment III showing the carriers to be used by each site for processing demonstration claims only (G9001-G9012).

#### **B. Claims Processing Rules**

##### **1. Services Provided by Physicians**

Some demonstration site programs include reimbursement for services provided by physicians (G9007, G9008 and possibly G9012). Physicians will be instructed to bill the demonstration site; the demonstration site will bill the carrier and reimburse the physician directly for these services. No physicians will bill carriers independently for demonstration services. Physicians who provide services covered under the traditional fee for service Medicare program to beneficiaries enrolled in the demonstration will bill their regular carrier in the same manner that they do for all other Medicare patients and services.

##### **2. Monthly Capitation**

Demonstration sites will be allowed to bill and be paid for the full monthly coordinated care/case management fee for the month the beneficiary is enrolled in the demonstration, but not the month the beneficiary is disenrolled. However, carriers will not have to monitor this. Automated procedure code editing will be done by CWF, as described in CR 1548. A retrospective audit of the billing will be done as part of the evaluation of the demonstration and adjustments to payments will be made, if needed.

### **3. Determination of Payment Rates**

Payment rates for each procedure code (G9001 – G9012) will be unique to each provider. The carrier will process these demonstration claims based on reasonable charge pricing. The HCFA project officer will provide the carrier with the appropriate payment rates which will be loaded into the customary charge field as well as the prevailing allowed amount field. If there are more than two demonstration providers in a single locality, then the prevailing allowed amount should be set at the highest customary charge assigned to any demonstration site in that area for the specific code. When claims are submitted, the carrier should pay the lower of the submitted (billed) charge, customary charge, or the prevailing rate. This will result in the demonstration site being paid the negotiated rate or less, if a lesser amount was billed.

### **4. Notices to Beneficiaries**

All notices to beneficiaries regarding services provided under the demonstration will be suppressed. Messages regarding demonstration claims (G9001-G9012) will not be shown on the Medicare Summary Notice (MSN). Demonstration sites will be required to insure that beneficiaries are eligible to receive services and beneficiaries will be held harmless for payment for demonstration services. Notices to beneficiaries enrolled in the demonstration regarding all other services which are covered under the traditional fee for service Medicare program will not be affected.

**The *effective date* for this PM is June 28, 2001.**

**The *implementation date* for this PM is June 28, 2001.**

**These instructions should be implemented within your current operating budget. There are no extra funds allowed for processing claims under this demonstration.**

**This PM may be discarded October 1, 2007.**

**All contractors should address questions or issues surrounding implementation of these instructions to their regional office contact. The demonstration contact person for this PM is Cynthia Mason at (410) 786-6680 or Jody Blatt at (410) 786-6921. The 837 contact person for this PM is Matt Klischer at (410) 786-7488.**

**Attachment**



**ATTACHMENT III – REVISED**

**DEMONSTRATION SITES AND CONTRACTORS USED FOR PROCESSING CLAIMS**

Site #	Demonstration Site Name	Service Area	Fiscal Intermediary for NOE Processing ONLY	Part A/ FI Provider ID ( <i>Demonstration Specific</i> )	Carrier for Demonstration Claim Processing ONLY	Part B/Carrier Specific Provider ID ( <i>Demonstration Specific</i> )	NOTES
1	Georgetown	Maryland, DC, Virginia	Care First (BCBS Maryland)	<i>New number assigned: 090899</i>	NHIC	TBD	
2	PennCare	Eastern PA	Veritus	390203	NHIC	TBD	
3	CanVaNet, Inc	Richmond VA	UGS	490059	NHIC	TBD	
4	QMED, Inc	Northern CA	UGS	<i>New number assigned: 050899</i>	NHIC	TBD	
5	CorSolutions Medical, Inc.	TX, IN	Trailblazers	<i>New number assigned: 450899</i>	NHIC	TBD	
6	Hospice of the Valley	Maricopa County, AZ	UGS	031500	NHIC	TBD	
7	WA University & Status One Health	St.Louis, MO	Mississippi BC	262565	NHIC	TBD	
8	University of MD	Baltimore, MD	Care First (BCBS Maryland)	21002	Trailblazers	<i>Will use existing Carrier ID #</i>	
9	The Jewish Home & Hospital	New York, NY	Empire BCBS	33541	NHIC	TBD	
10	Quality Oncology, Inc.	Broward County, FL	BCBS Florida	<i>New number assigned: 100899</i>	NHIC	TBD	
11	Erickson Retirement Community, Inc.	Baltimore, MD	Care First (BCBS Maryland)	215223	NHIC	TBD	
12	Carle Foundation	Eastern IL	Anthem	140091	NHIC	TBD	

Site #	Demonstration Site Name	Service Area	Fiscal Intermediary for NOE Processing ONLY	Part A/ FI Provider ID ( <i>Demonstration Specific</i> )	Carrier for Demonstration Claim Processing ONLY	Part B/Carrier Specific Provider ID ( <i>Demonstration Specific</i> )	NOTES
	Hospital						
13	Avera McKennan Hospital	SD	BCBS Alabama	430016	NHIC	TBD	
14	Medical Care Development	ME	Empire	<i>New number assigned: 200899</i>	NHIC	TBD	Empire will process NOEs as local FI not on FISS
15	Mercy Medical Center	Northern IA	BCBS Alabama	160064	NHIC	TBD	
16	Lovelace		Trailblazers	320019	NHIC	TBD	