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| CMS Manual System | Department of Health & Human Services (DHMS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 1793 | Date: August 7, 2009 |
| | Change Request 6567 |

Subject: Revision to the Selection Criteria for Recovery Audit Contractor (RAC) Adjustment Crossover Claims and for Fully Reimbursable Part B Claims

I. SUMMARY OF CHANGES: This instruction modifies one aspect of the logic that the Part A shared system utilizes in marking claims as RAC adjustment claims for crossover purposes. This instruction also modifies the Common Working File (CWF) logic used in association with 100 percent reimbursable Part B claims that contain denied service lines.

New / Revised Material

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

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 |
| R | 27/80.15/Claims Crossover Disposition and Coordination of Benefits Agreement By-Pass Indicators |
| R | 27/80.18/Inclusion and Exclusion of Specified Categories of Adjustment Claims for Coordination of Benefits Agreement (COBA) Crossover Purposes |

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

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.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

| | | | |
|-------------|-------------------|----------------------|----------------------|
| Pub. 100-04 | Transmittal: 1793 | Date: August 7, 2009 | Change Request: 6567 |
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SUBJECT: Revision to the Selection Criteria for Recovery Audit Contractor (RAC) Adjustment Crossover Claims and for Fully Reimbursable Part B Claims

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) established a unique methodology for including recovery audit contractor (RAC)-initiated adjustment claims under stand-alone Coordination of Benefits Agreement (COBA) identifiers through the issuance of Transmittal 1568, Change Request (CR) 6103. As part of this instruction, the Part A shared system was to input an “R” indicator in the HUIP claim transaction in association with bill type 11X and 12X RAC-initiated adjustment claims under two (2) defined conditions. The CMS inadvertently included an incorrect statement within the second condition with respect to the inpatient hospital deductible amount. The CMS addresses this issue through this instruction.

Currently, the Common Working File (CWF) system excludes Part B HUBC claims as fully (100 percent) paid, without deductible or co-insurance remaining if **all** detail lines feature equivalent allowed and paid amounts. If CWF detects that even one detail line is denied, it allows the claim to be selected for crossover purposes. The CMS modifies this logic through this instruction.

B. Policy: As indicated in CR 6103, the Part A shared system, along with the other two shared systems, shall have a methodology for uniquely identifying all varieties of RAC-initiated adjustments that result from post-payment review activities. In that context, prior to sending its processed 11X and 12X type of bill RAC adjustments to CWF for normal processing, the Part A shared systems shall input an “R” in the header of its HUIP claims transactions if the RAC-initiated adjustment claim meets either of the following conditions: 1) the claim recovery action resulted in Medicare changing its payment decision from paid to denied (i.e., Medicare paid \$0.00 as the result of the adjustment performed); **or** 2) the claim recovery action resulted in a Medicare adjusted payment amount that is equal to or greater than the amount of the inpatient hospital deductible.

The Part A shared system shall make no additional changes to requirements arising from CR 6103 as a result of this instruction. All other shared systems shall effectuate no changes to requirements arising from CR 6103 as a result of this instruction.

Effective with January 2010, the CWF system shall create a new 1-byte liability denial indicator (LIAB IND) at the service line level for individually denied claim lines in association with the HUBC claim transaction (valid values=B or spaces). When the Part B shared system adjudicates claims where most of the claim service detail lines are fully [or 100 percent] paid (i.e., contain allowed amounts per line that are the same as the paid amounts per line **and** the lines do **not** carry deductible or co-insurance amounts) but where some detail lines are denied, it shall take the following actions: 1) Input a “B” value in the newly created 1-byte “LIAB IND” field for each denied service line where the beneficiary has payment liability (**note:** there may be multiple instances where the “B” value will be applied, contingent upon whether the beneficiary is liable for each of the denied service lines); 2) input spaces in the newly created 1-byte “LIAB IND” field for each denied service line where the provider, rather than the beneficiary, is contractually liable for the denied service; and 3) transmit the HUBC claim to CWF for normal verification and validation processing. Additionally, through this instruction, the CWF maintainer shall create a new consistency edit that will activate if the value transmitted in the new “LIAB

IND” field on the HUBC claim does not equal “B” or “spaces.” The Part B shared system shall take the following steps upon its affiliate contractor’s receipt of the new consistency edit: 1) Input the correct value for the field in light of the particular claims adjudication scenario; and 2) retransmit the HUBC claim to CWF.

Through this instruction, the CWF system shall modify its logic for “original” and “adjustment” fully paid claims, without deductible or co-insurance remaining (crossover disposition indicators D and S, respectively) in association with Part B HUBC claims as follows: 1) Continue to verify the claim’s entry or action code for determination as to whether the claim is an original or adjustment; 2) where applicable, continue to check additionally to determine if the incoming claim contains entry code 5 **or** an “R” recovery audit contractor (RAC) adjustment indicator, as directed in previous CMS instructions; 3) where applicable, continue to check additionally to determine if the incoming claim contains an entry or action code value of “1,” along with Claim Adjustment Indicator=A, as directed in previous CMS instructions; 4) confirm that the claim contains service lines where the amount allowed per line equals the amount paid per line; 5) check for the presence of a “B” line liability denial indicator (LIAB IND) in association with any of the denied service lines on the claim; 6) suppress the claim from the crossover process if the claim does **not** contain a “B” line liability denial indicator (LIAB IND) for any of the denied service lines; and 7) select the claim for crossover if even one of the denied lines contains a “B” line liability denial indicator (LIAB IND).

Upon suppressing the Part B claim from the crossover process, CWF shall annotate the claim on the Part B claim detail (PTBH) screen with a newly created “AF” (Fully reimbursable claim containing denied lines with no beneficiary liability) claims crossover disposition indicator. The CWF system shall continue to exclude incoming HUBC original and adjustment claims where all detail lines are fully paid (allowed amount=paid amount per line), with no deductible or co-insurance remaining, through application of the pre-existing exclusion logic tied to crossover disposition indicators D or S, as appropriate. The CWF maintainer shall move all appropriate LIAB IND values received on incoming HUBC claims to the HIMR Part B claim detail screen as well as to National Claims History (NCH). The CWF maintainer shall update its documentation to include the new crossover disposition indicator, with accompanying description, as well as the new Part B line level denial indicator (LIAB IND). The system maintainers of the Next Generation Desktop (NGD) and MCSDT shall modify these applications to allow for the display of the new crossover disposition indicator and the new Part B line level denial indicator (LIAB IND). These entities shall also update their system documentation to include the new disposition indicator, with accompanying description, and the new Part B line level denial indicator (LIAB IND). Lastly, those Medicare contractor personnel who train provider customer service representatives shall modify their training documentation to include the new crossover disposition indicator, accompanying description, and the new Part B line level denial indicator (LIAB IND).

II. BUSINESS REQUIREMENTS TABLE

“Shall” denotes a mandatory requirement

| Number | Requirement | Responsibility | | | | | | | | | | |
|--------|---|----------------|---|---|---|---|---------------------------|---|---|---|-------|--|
| | | A | D | F | C | R | Shared-System Maintainers | | | | Other | |
| | | B | M | I | A | H | F | M | V | C | | |
| | | | E | | R | H | I | I | C | M | W | |
| | | M | M | | I | | | S | S | S | F | |
| | | A | A | | E | | | S | | | | |
| | | C | C | | R | | | | | | | |
| 6567.1 | Prior to sending its processed 11X and 12X type of bill RAC adjustments to CWF for normal processing, the Part A shared systems shall input an “R” in the header of its HUIP claims transactions if the RAC-initiated | | | | | | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | | |
|------------|---|--------------------------------|--------------------------------|---------------------------|----------------------------|--------------------------------|---------------------------|-------------|-------------|-------------|------------------------------|
| | | A / B M A C | D M E M A C | F I I E R | C A R I E R | R H I I S S | Shared-System Maintainers | | | | Other |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | indicator. | | | | | | | | | | |
| 6567.2.4.1 | The CWF system shall continue to exclude incoming HUBC original and adjustment claims where all detail lines are fully paid (allowed amount=paid amount per line), with no deductible or co-insurance remaining, through application of the pre-existing exclusion logic tied to crossover disposition indicators D or S, as appropriate. | | | | | | | | | | X |
| 6567.2.5 | The CWF maintainer shall move all appropriate LIAB IND values received on incoming HUBC claims to the HIMR Part B claim detail screen as well as to National Claims History (NCH). | | | | | | | | | | X NCH |
| 6567.2.6 | The CWF maintainer shall update its documentation to include the new crossover disposition indicator, with accompanying description, as well as the new Part B line level denial indicator (LIAB IND). | | | | | | | | | | X |
| 6567.2.7 | The system maintainers of the Next Generation Desktop (NGD) and MCSDT shall modify these applications to allow for the display of the new crossover disposition indicator and Part B line level denial indicator (LIAB IND). | | | | | | | | | | X NGD and MCS DT |
| 6567.2.7.1 | These entities shall also update their system documentation to include the new disposition indicator, with accompanying description, and the new Part B line level denial indicator. | | | | | | | | | | X NGD and MCS DT |
| 6567.2.8 | Those Medicare contractor personnel who train provider customer service representatives shall modify their training documentation to include the new crossover disposition indicator, with accompanying description, as well as the new line Part B level liability indicator. | X | X | X | X | X | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | | | | | | |
|--------|-------------|--------------------------------|--------------------------------|---------------------------|---------------------------------|------------------|------------------------------|-------------|--|--|-------|
| | | A / B M A C | D M E M A C | F I M A C | C A R R I E R | R H H I | Shared-System Maintainers | | | | Other |
| | | | | | F I S S | M C S | V M S | C W F | | | |
| | None | | | | | | | | | | |

IV. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

| X-Ref Requirement Number | Recommendations or other supporting information: |
|--------------------------|--|
| | None |

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

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VI. FUNDING

Section A: 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.

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.

Attachment

ATTACHMENT

CROSSOVER CLAIM DISPOSITION INDICATORS

| Claims Crossover Disposition Indicator | Definition/Description |
|---|--|
| A | This claim was selected to be crossed over. |
| B | This Type of Bill (TOB) excluded. |
| C | Non-assigned claim excluded. |
| D | Original Medicare claims fully paid without deductible or co-insurance remaining excluded. |
| E | Original Medicare claims paid at greater than 100% of the submitted charges without deductible or co-insurance remaining excluded. **Also covers the exclusion of Original Medicare claims paid at greater than 100% of the submitted charges for Part B ambulatory surgical center (ASC) claims, even if deductible or co-insurance applies. |
| F | 100% denied claims, with no additional beneficiary liability excluded. |
| G | 100% denied claims, with additional beneficiary liability excluded. |
| H | Adjustment claims, monetary, excluded (represents non-mass adjustment claims) |
| I | Adjustment claims, non-monetary/statistical, excluded (represents non-mass adjustment claims) |
| J | MSP claims excluded |
| K | This Claim contains a provider identification number (ID) or provider state that is excluded by the COBA trading partner. |
| L | Claims from this Contractor ID excluded |
| M | The beneficiary has other insurance (such as Medigap, supplemental, TRICARE, or other) that pays before Medicaid. Claim excluded by Medicaid. |
| N | NCPDP claims excluded. |
| O | All Part A claims excluded. |
| P | All Part B claims excluded. |
| Q | All DMERC claims excluded. |
| R | Adjustment claim excluded because original claim was not crossed over. |
| S | Adjustment Claims Fully Paid without deductible and co-insurance remaining excluded. |
| T | Adjustments Claims, 100% Denied, with no additional beneficiary liability excluded. |
| U | Adjustment Claims, 100% Denied, with additional |

| | |
|-----------|--|
| | beneficiary liability excluded. |
| V | MSP cost-avoided claims excluded. |
| W | Mass Adjustment Claims-Medicare Physician Fee Schedule (MPFS) update excluded. |
| X | Mass Adjustment Claims-Other excluded. |
| Y | Archived adjustment claim excluded |
| Z | Invalid Claim-based Medigap crossover ID included on the claim. |
| AA | Beneficiary identified on Medigap insurer eligibility file; duplicate Medigap claim-based crossover voided |
| AB | Not Used |
| AC | All Adjustment Claims excluded |
| AD | Adjustment inclusion criteria not met |
| AE | Recovery audit contractor (RAC)-initiated adjustment excluded. |
| <i>AF</i> | <i>Fully reimbursable claim containing denied lines with no beneficiary liability excluded.</i> |

80.14 - Consolidated Claims Crossover Process

(Rev.1793, Issued: 08-07-09, Effective: 01-01-10, Implementation: 01-04-10)

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 Medicare contractor.

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, unless there is a COBA ID in range 55000 through 55999 present on the incoming HUBC or HUDC claim (which identifies Medigap claim-based crossover), 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 contractor only 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.100-04, Chap. 28, §70.6 for more information about the claim file transmission process involving the Medicare contractor 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 contractor. (See additional details below.)

Effective with July 7, 2009, at CMS's direction, the COBC will modify the COIF so that the "Test/Production" indicator, originally created as part of the October 2004 release, is renamed the "4010A1 Test/Production indicator" and a new field, the "NCPDP-5.1 Test/Production indicator," is also reflected. In turn, CWF shall 1) accept and process the COBC-generated modified COIF on a weekly basis; and 2) accept the following values within the two newly defined COIF fields: "N" (format not in use for this trading partner); "P" (trading partner in production); and "T" (trading partner in "test" mode).. CWF shall also modify the BOI reply trailer (29) to reflect these changes, as further specified under "BOI Reply Trailer 29 Processes" 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 contractor. 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 Medicare contractor.

Effective with July 7, 2009, CWF shall modify the BOI reply trailer (29) to rename the existing Test/Production indicator as "4010A1 Test/Production indicator" and rename the NCPDP Test/Production indicator as "NCPDPD0 Test/Production indicator." In addition, CWF shall include a new 1-byte field "NCPDP51 Test/Production indicator" as part of the BOI reply trailer (29).

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 a Medicare contractor 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 contractor 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 a contractor 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.)

Effective January 5, 2009, when CWF returns a BOI reply trailer (29) to a Medicare contractor that contains **only** a COBA ID in the range 89000 through 89999, the contractor's system shall suppress all crossover information, including name of insurer and generic message#35.1, from all beneficiary MSNs. (See chapter 28, §70.6 for details regarding additional Medicare contractor requirements.)

In addition, the contractor shall **not** issue special provider notification letters following their receipt of COBC Detailed Error Reports when the claim's associated COBA ID is within the range 89000 through 89999 (see chapter 28, §70.6.1 for more details.)

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

Beginning with the October 2004 release, when CWF returns a BOI reply trailer (29) that contains a "T" Test/Production Indicator to the Medicare contractors, 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 CWF returns a BOI reply trailer (29) that contains a "P" Test/Production Indicator to the Medicare contractors, 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.

Effective January 5, 2009, if CWF returns **only** a COBA ID range 89000 through 89999 on a BOI reply trailer (29) to a Medicare contractor, the contractor's system shall suppress all crossover information (the entire 2100 loop) on the 835 ERA.

Effective January 5, 2009, 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 (30000-54999); 2) Claim-based Medigap (55000-59999); 3) Supplemental (00001-29999); 4) TRICARE (60000-69999); 5) Other Insurer (80000-88999); 6) Medicaid (70000-79999); and 7) Other—Health Care Pre-Payment Plan [HCPP] (89000-89999). 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. 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 Part B contractor's 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 Part B contractor 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 Part B contractor 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 Part B contractor if the claim is to be sent to the COBC to be crossed over.

Effective with October 1, 2007, CWF shall cease returning an edit 5248 and Medicaid reply trailer 36 to a Durable Medical Equipment Medicare Administrative Contractor (DMAC). In lieu of this procedure, CWF shall only return a BOI reply trailer (29) to the DMAC for the claim if the COBA Insurance File (COIF) for the State Medicaid Agency indicates that the entity wishes to receive non-assigned claims.

NOTE: Most Medicaid agencies will not accept such claims for crossover purposes.

If CWF determines via the corresponding COIF that the State Medicaid Agency does not wish to receive non-assigned claims, it shall exclude the claim for crossover. In addition, CWF shall mark the excluded claim with its appropriate claims crossover disposition indicator (see §80.15 of this

chapter for more details) and store the claim with the information within the appropriate Health Insurance Master Record (HIMR) detailed history screen.

DMACs shall no longer modify the provider assignment indicator on incoming non-assigned supplier claims for which there is a corresponding COBA ID in the 'Medicaid' range (70000-77999).

4. Additional Information Included on the HUIP, HUOP, HUUH, HUHC, HUBC and HUDC Queries to CWF

Beneficiary Liability Indicators on Part B and DMAC CWF Claims Transactions

Effective with the January 2005 release, the Part B and DMAC systems shall 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 DMAC 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 DMAC 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.

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

Beneficiary Liability Indicators on Part A CWF Claims Transactions

Effective with October 2007, the CWF maintainer shall create a 1-byte beneficiary liability indicator field within the header of its HUIP, HUOP, HUUH, and HUHC Part A claims transactions (valid values for the field=L or N).

As Part A contractors adjudicate claims and determine that the beneficiary has payment liability for any part of the fully denied services or service lines, they shall set an 'L' indicator within the newly created beneficiary liability field in the header of their HUIP, HUOP, HUUH, and HUHC claims that they transmit to CWF. In addition, as Part A contractors adjudicate claims and determine that the beneficiary has no payment liability for any of the fully denied services or service lines—that is, the provider must absorb all costs for the fully denied claims—they shall include an 'N' beneficiary indicator within the designated field in the header of their HUIP, HUOP, HUUH, and HUHC claims that they transmit to CWF.

Upon receipt of an HUIP, HUOP, HUUH, or HUHC claim that contains an 'L' or 'N' beneficiary liability indicator, CWF shall read the COBA Insurance File (COIF) to determine whether the COBA trading partner wishes to receive 'original' fully denied claims with

beneficiary liability (crossover indicator 'G') or without beneficiary liability (crossover indicator 'F') or 'adjustment' fully denied claims with beneficiary liability (crossover indicator 'U') or without beneficiary liability (crossover indicator 'T').

CWF shall deploy the same logic for excluding Part A fully denied 'original' and 'adjustment' claims with or without beneficiary liability as it now utilizes to exclude fully denied 'original' and 'adjustment' Part B and DMAC/DME MAC claims with and without beneficiary liability, as specified elsewhere within this section. *As of January 4, 2010, CWF shall read action code 8, in addition to action code 1, in association with incoming fully denied original HUIP and HUOP claims. CWF shall continue to read action code 1 for purposes of excluding all other fully denied original HUHH and HUHA claims. (See items J and K within this section for more specifics regarding revised logic for exclusion of fully denied HUIP and HUOP adjustment claims.)*

If CWF determines that the COBA trading partner wishes to exclude the claim, as per the COIF, it shall suppress the claim from the crossover process.

CWF shall post the appropriate crossover disposition indicator in association with the adjudicated claim on the HIMR detailed history screen (see §80.15 of this chapter).

In addition, the CWF maintainer shall create and display the new 1-byte beneficiary liability indicator field within the HIMR detailed history screens (INPL, OUTL, HHAL, and HOSL), to illustrate the indicator ('L' or 'N') that appeared on the incoming HUIP, HUOP, HUHH, or HUHC claim transaction.

CWF Editing for Incorrect Values

If a Part A contractor sends values other than 'L' or 'N' in the newly defined beneficiary liability field in the header of its HUIP, HUOP, HUHH, or HUHC claim, CWF shall reject the claim back to the Part A contractor for correction. Following receipt of the CWF rejection, the Part A contractor shall change the incorrect value placed within the newly defined beneficiary liability field and retransmit the claim to CWF.

5. Modification to the CWF Inclusion or Exclusion Logic for the COBA Crossover Process

Beginning with the October 2006 release, the CWF or its maintainer shall modify its COBA claims selection logic and processes as indicated below. The CWF shall continue to include or exclude all other claim types in accordance with the logic and processes that it had in place prior to that release.

D. New Part B Contractor Inclusion or Exclusion Logic

The CWF shall read the first two (2) positions of the Business Segment Identifier (BSI), as reported on the HUBC claim, to uniquely include or exclude claims from state-specific Part B contractors, as indicated on the COBA Insurance File (COIF).

E. Exclusion of Fully Paid Claims

The CWF shall continue to exclude Part B claims paid at 100 percent by checking for the presence of claims entry code '1' and determining that each claim's allowed amount equals the reimbursement amount and confirming that the claim contains no denied services or service lines.

The CWF shall continue to read action code '1' and determine that there are no deductible or co-insurance amounts for the purpose of excluding Part A original claims paid at 100 percent. In addition, CWF shall determine that the Part A claim contained a reimbursement amount before excluding a claim with action code '1' that contained no deductible and co-insurance amounts and that the claim contained no denied services or service lines.

Claims with Fully Paid Lines, without Deductible or Co-insurance Remaining, and Additional Denied Service Lines

New HUBC Line-Level Indicator Field

Effective January 4, 2010, the CWF maintainer shall create a new 1-byte liability denial indicator (LIAB IND) at the service line level for individually denied claim lines in association with the HUBC claim transaction (valid values=B or spaces).

Part B Shared System Requirements

*When the Part B shared system adjudicates claims where most of the claim service detail lines are fully [or 100 percent] paid (i.e., contain allowed amounts per line that are the same as the paid amounts per line **and** the lines do **not** carry deductible or co-insurance amounts) but where some detail lines are denied, it shall take the following actions:*

- 1) Input a "B" value in the newly created 1-byte LIAB IND field for each denied service line where the beneficiary has payment liability (NOTE: there may be multiple instances where the "B" value will be applied, contingent upon whether the beneficiary is liable for each of the denied service lines);*
- 2) Input spaces in the newly created 1-byte LIAB IND field for each denied service line where the provider, rather than the beneficiary, is contractually liable for the denied service; and*
- 3) Transmit the HUBC claim to CWF for normal verification and validation processing.*

CWF Requirements

The CWF system shall modify its logic for "original" fully paid claims, without deductible or co-insurance remaining, in association with Part B HUBC claims as follows:

- 1) Continue to verify the claim's entry or action code for confirmation that the claim is an original;*

- 2) *Confirm that the claim contains service lines where the amount allowed per line equals the amount paid per line;*
- 3) *Check for the presence of a “B” line LIAB IND in association with any of the denied service lines on the claim;*
- 4) *Suppress the claim from the crossover process if the claim does **not** contain a “B” line LIAB IND for any of the denied service lines; and*
- 5) *Select the claim for crossover if even one of the denied lines contains a “B” line LIAB IND.*

Upon suppressing the Part B claim from the crossover process, CWF shall annotate the claim on the Part B claim detail (PTBH) screen with a newly created “AF” (Fully reimbursable claim containing denied lines with no beneficiary liability) claims crossover disposition indicator. (See § 80.15 of this chapter for more details regarding crossover disposition indicators.)

F. Claims Paid at Greater than 100 Percent of the Submitted Charge

The CWF shall modify its current logic for excluding Part A original Medicare claims paid at greater than 100 percent of the submitted charges as follows:

In addition to meeting the CWF exclusion criteria for Part A claims paid at greater than 100 percent of the submitted charges, CWF shall exclude these claims only when there is no deductible or co-insurance amounts remaining on the claims.

NOTE The current CWF logic for excluding Part B original Medicare claims paid at greater than 100 percent of the submitted charges/allowed amount (specifically, type F ambulatory surgical center claims, which typically carry deductible and co-insurance amounts) shall remain unchanged.

G. Claims with Monetary or Non-Monetary Changes

The CWF shall check the reimbursement amount as well as the deductible and co-insurance amounts on each claim to determine whether a monetary adjustment change to an original Part A, B, or DMAC claim occurred.

To exclude non-monetary adjustments for Part A, B, and DMAC claims, the CWF shall check the reimbursement amount as well as the deductible and co-insurance amounts on each claim to confirm that there were no monetary changes on the adjustment claim as compared to the original claim.

Effective with April 1, 2008, the CWF shall also include total submitted/billed charges as part of the foregoing elements used to exclude adjustment claims, monetary as well as adjustment claims, non-monetary. (See sub-section N, “Overarching Adjustment Claim Exclusion Logic,” for details concerning the processes that CWF shall follow when the COBA trading partner’s COIF specifies exclusion of **all** adjustment claims.)

H. Excluding Adjustment Claims When the Original Claim Was Also Excluded

When the CWF processes an adjustment claim, it shall take the following action when the COIF indicates that the “production” COBA trading partner wishes to receive adjustment claims, monetary **or** adjustment claims, non-monetary:

- Return a BOI reply trailer 29 to the contractor if CWF locates the original claim that was marked with an ‘A’ crossover disposition indicator **or** if the original claim’s crossover disposition indicator was blank/non-existent;
- Exclude the adjustment claim if CWF locates the original claim and it was marked with a crossover disposition indicator other than ‘A,’ meaning that the original claim was excluded from the COBA crossover process.

CWF shall **not** be required to search archived or purged claims history to determine whether an original claim had been crossed over.

The CWF maintainer shall create a new ‘R’ crossover disposition indicator, as referenced in a chart within §80.15 of this chapter, to address this exclusion for customer service purposes. The CWF maintainer shall ensure that adjustment claims that were excluded because the original claim was not crossed over shall be marked with an ‘R’ crossover disposition indicator after they have been posted to the appropriate Health Insurance Master Record (HIMR) detailed history screen.

I. Excluding Part A, B, and DMAC Contractor Fully Paid Adjustment Claims Without Deductible and Co-Insurance Remaining

The CWF shall apply logic to exclude Part A and Part B (including DMAC) adjustment claims (identified as action code ‘3’ for Part A claims and entry code ‘5’ for Part B and DMAC claims) when the COIF indicates that a COBA trading partner wishes to exclude adjustment claims that are fully paid and without deductible or co-insurance amounts remaining.

Effective with October 1, 2007, the CWF shall develop logic as follows to exclude fully paid Part A adjustment claims without deductible and co-insurance remaining:

- 1) Verify that the claim contains action code ‘3’;
- 2) Verify that there are no deductible and co-insurance amounts on the claim;
- 3) Verify that the reimbursement on the claim is greater than zero; and
- 4) Confirm that the claim contains no denied services or service lines.

Special Note: Effective with October 1, 2007, CWF shall cease by-passing the logic to exclude Part A adjustments claims fully (100 percent) paid in association with home health prospective payment system (HHPPS) types of bills 329 and 339. The CWF shall exclude such claims if the COBA Insurance File (COIF) designates that the trading partner wishes to exclude “adjustment

claims fully paid without deductible or co-insurance remaining” or if these bill types are otherwise excluded on the COBA Insurance File (COIF).

The CWF shall develop logic as follows to exclude Part B or DMAC fully paid adjustment claims without deductible or co-insurance remaining:

- 1) Verify that the claim contains an entry code ‘5’;
- 2) Verify that the allowed amount equals the reimbursement amount; and
- 3) Confirm that the claim contains no denied services or service lines.

The CWF maintainer shall create a new ‘S’ crossover disposition indicator for adjustment claims that are paid at 100 percent. The CWF maintainer shall ensure that excluded adjustment claims that are paid at 100 percent shall be marked with an ‘S’ crossover disposition indicator after they have been posted to the appropriate HIMR detailed history screen. In addition, the CWF maintainer shall add “Adj. Claims-100 percent PD” to the COBA Insurance File Summary screen (COBS) on HIMR so that this exclusion will be appropriately displayed for customer service purposes.

Claims with Fully Paid Lines, without Deductible or Co-insurance Remaining, and Additional Denied Service Lines

New HUBC Line-Level Indicator Field

Effective January 4, 2010, the CWF maintainer shall create a new 1-byte LIAB IND at the service line level for individually denied claim lines in association with the HUBC claim transaction (valid values=B or spaces).

Part B Shared System Requirements

*When the Part B shared system adjudicates adjustment claims where most of the claim service detail lines are fully [or 100 percent] paid (i.e., contain allowed amounts per line that are the same as the paid amounts per line **and** the lines do **not** carry deductible or co-insurance amounts) but where some detail lines are denied, it shall take the following actions:*

- 1) Input a “B” value in the newly created 1-byte LIAB IND field for each denied service line where the beneficiary has payment liability (NOTE: there may be multiple instances where the “B” value will be applied, contingent upon whether the beneficiary is liable for each of the denied service lines);*
- 2) Input spaces in the newly created 1-byte LIAB IND field for each denied service line where the provider, rather than the beneficiary, is contractually liable for the denied service; and*
- 3) Transmit the HUBC claim to CWF for normal verification and validation processing.*

CWF Requirements

The CWF system shall modify its logic for “adjustment” fully paid claims, without deductible or co-insurance remaining, in association with Part B HUBC claims as follows:

- 1) Continue to verify the claim’s entry or action code for confirmation that the claim is an adjustment;*
- 2) Where applicable, also continue to check additionally to determine if the incoming claim contains entry code 5 or an “R” recovery audit contractor (RAC) adjustment indicator, as directed in previous CMS instructions;*
- 3) Where applicable, continue to check additionally to determine if the incoming claim contains an entry or action code value of “1,” along with Claim Adjustment Indicator=A, as per previous CMS direction;*
- 4) Confirm that the claim contains service lines where the amount allowed per line equals the amount paid per line;*
- 5) Check for the presence of a “B” line LIAB IND in association with any of the denied service lines on the claim;*
- 6) Suppress the claim from the crossover process if the claim does **not** contain a “B” line LIAB IND for any of the denied service lines; and*
- 7) Select the claim for crossover if even one of the denied lines contains a “B” LIAB IND.*

Upon suppressing the Part B claim from the crossover process, CWF shall annotate the claim on the Part B claim detail (PTBH) screen with a newly created “AF” (Fully reimbursable claim containing denied lines with no beneficiary liability) claims crossover disposition indicator. (See § 80.15 of this chapter for more details regarding crossover disposition indicators.)

J. Excluding Part A, B, and DMAC Contractor Adjustment Claims That Are Fully Denied with No Additional Liability

The CWF shall apply logic to exclude Part A and Part B (including DMAC) fully denied adjustment claims that carry no additional beneficiary liability when the COIF indicates that a COBA trading partner wishes to exclude such claims.

Effective with October 1, 2007, the CWF shall apply logic to the Part A adjustment claim (action code ‘3’) where the entire claim is denied **and** the beneficiary has no additional liability. *As of January 4, 2010, that logic shall be changed to also include the reading of action code 8, in addition to action code 3, for HUIP and HUOP claims. The revised logic will thus be as follows:*

- 1) Verify that the claim was sent as action code ‘3’;*
- 2) Verify also if an HUIP or HUOP claim contains action code ‘8’ rather than an action code ‘3’; and*
- 3) Check for the presence of an ‘N’ beneficiary liability indicator in the header of the fully denied claim. (See the “Beneficiary Liability Indicators on Part A CWF Claims Transactions” section above for additional information.)*

The CWF shall apply logic to the Part B and DMAC adjustment claims (entry code '5') where the entire claim is denied **and** the beneficiary has **no** additional liability as follows:

- 1) Verify that the claim was sent as entry code '5'; and
- 2) Check for the presence of an 'N' liability indicator on the fully denied claim.

The CWF maintainer shall create a new 'T' crossover disposition indicator for adjustment claims that are 100 percent denied with no additional beneficiary liability. The CWF maintainer shall ensure that excluded adjustment claims that were entirely denied and contained no beneficiary liability shall be marked with a 'T' crossover disposition indicator after they have been posted to the appropriate HIMR detailed history screen. In addition, the CWF maintainer shall add "Denied Adjs-No Liab" to the COBS on HIMR so that this exclusion will be appropriately displayed for customer service purposes.

K. Excluding Part A, B, and DMAC Contractor Adjustment Claims That Are Fully Denied with No Additional Liability

The CWF shall apply logic to exclude Part A and Part B (including DMAC) fully denied adjustment claims that carry additional beneficiary liability when the COIF indicates that a COBA trading partner wishes to exclude such claims.

Effective with October 1, 2007, the CWF shall apply logic to the Part A adjustment claim (action code '3') where the entire claim is denied **and** the beneficiary has additional liability. *As of January 4, 2010, that logic shall be changed to also include the reading of action code 8, in addition to action code 3, for HUIP and HUOP claims. The revised logic will thus be as follows:*

- 1) Verify that the claim was sent as action code '3';
- 2) *Verify also if an HUIP or HUOP claim contains action code '8' rather than an action code '3'; and*
- 3) Check for the presence of an 'L' beneficiary liability indicator in the header of the fully denied claim. (See the "Beneficiary Liability Indicators on Part A CWF Claims Transactions" section above for additional information.)

The CWF shall apply logic to exclude Part B and DMAC adjustment claims (entry code '5') where the entire claim is denied **and** the beneficiary has additional liability as follows:

- 1) Verify that the claim was sent as entry code '5'; and
- 2) Check for the presence of an 'L' liability indicator on the fully denied claim.

The CWF maintainer shall create a new 'U' crossover disposition indicator for adjustment claims that are 100 percent denied with additional beneficiary liability. The CWF maintainer shall ensure that excluded adjustment claims that were entirely denied and contained beneficiary liability shall be marked with a 'U' crossover disposition indicator after they have been posted to

the appropriate HIMR detailed history screen. In addition, the CWF maintainer shall add “Denied Adjs-Liab” to the COBS on HIMR so that this exclusion will be appropriately displayed for customer service purposes.

L. Excluding MSP Cost-Avoided Claims

The CWF shall develop logic to **exclude** MSP cost-avoided claims when the COIF indicates that a COBA trading partner wishes to exclude such claims.

The CWF shall apply the following logic to **exclude** Part A MSP cost-avoided claims:

- Verify that the claim contains one of the following MSP non-pay codes: E, F, G, H, J, K, Q, R, T, U, V, W, X, Y, Z, 00, 12, 13, 14, 15, 16, 17, 18, 25, and 26.

The CWF shall apply the following logic to **exclude** Part B and DMAC MSP cost-avoided claims:

- Verify that the claim contains one of the following MSP non-pay codes: E, F, G, H, J, K, Q, R, T, U, V, W, X, Y, Z, 00, 12, 13, 14, 15, 16, 17, 18, 25, and 26.

The CWF maintainer shall create a new ‘V’ crossover disposition indicator for the exclusion of MSP cost-avoided claims. The CWF maintainer shall ensure that excluded MSP cost-avoided claims shall be marked with a ‘V’ crossover disposition indicator after they have been posted to the appropriate HIMR detailed history screen. In addition, the CWF maintainer shall add “MSP Cost-Avoids” to the COBS on HIMR so that this exclusion will be appropriately displayed for customer service purposes.

M. Excluding Sanctioned Provider Claims from the COBA Crossover Process

Effective with April 2, 2007, the CWF maintainer shall create space within the HUBC claim transaction for a newly developed ‘S’ indicator, which designates ‘sanctioned provider.’

Contractors, including Medicare Administrative Contractors (MACs), that process Part B claims from physicians (e.g., practitioners and specialists) and suppliers (independent laboratories and ambulance companies) shall set an ‘S’ indicator in the header of a fully denied claim if the physician or supplier that is billing is suspended/sanctioned. NOTE: Such physicians or suppliers will have been identified by the Office of the Inspector General (OIG) and will have had their Medicare billing privileges suspended. Before setting the ‘S’ indicator in the header of a claim, the Part B contractor shall first split the claim if it contains service dates during which the provider is no longer sanctioned. This will ensure that the Part B contractor properly sets the ‘S’ indicator for only those portions of the claim during which the provider is sanctioned.

Upon receipt of an HUBC claim that contains an ‘S’ indicator, the CWF shall exclude the claim from the COBA crossover process. The CWF therefore shall not return a BOI reply trailer 29 to

the multi-carrier system (MCS) Part B contractor for any HUBC claim that contains an ‘S’ indicator.

N. Overarching Adjustment Claim Exclusion Logic

“Overarching adjustment claim logic” is defined as the logic that CWF will employ, independent of a specific review of claim monetary changes, when a COBA trading partner’s COBA Insurance File (COIF) specifies that it wishes to exclude all adjustment claims.

New CWF Logic

Effective with April 1, 2008, the CWF maintainer shall change its systematic logic to accept a new version of the COIF that now features a new “all adjustment claims” exclusion option.

For the COBA eligibility file-based crossover process, where CWF utilizes both the BOI auxiliary record and the COIF when determining whether it should include or exclude a claim for crossover, CWF shall apply the overarching adjustment claim logic as follows:

- Verify that the incoming claim has an action code of 3 or entry code of 5 or, if the claim has an action or entry code of 1 (original claim), confirm whether it has an “A” claim header value, which designates adjustment claim for crossover purposes; and
- Verify that the COIF contains a marked exclusion for “all adjustment claims.” If these conditions are met, CWF shall exclude the claim for crossover under the COBA eligibility file-based crossover process.

If both of these conditions are met, CWF shall exclude the claim for crossover under the COBA eligibility file-based crossover process. **IMPORTANT:** Independent of the foregoing requirements, CWF shall continue to only select an adjustment claim for COBA crossover purposes if 1) it locates the matching original claim; and 2) it determines that the original claim was selected for crossover (see “H. Excluding Adjustment Claims When the Original Claim Was Also Excluded” above for more information).

New Crossover Disposition Indicator

Upon excluding the claim, CWF shall mark the claim as it is stored on the appropriate Health Insurance Master Record (HIMR) claim detail history screen with a newly developed “AC” crossover disposition indicator, which designates that CWF excluded the claim because the COBA trading partner wished to exclude all adjustment claims. (See §80.15 of this chapter for a description of this crossover disposition indicator.)

The CWF shall display the new indicator within the “eligibility file-based crossover” segment of the HIMR detailed claim history screen.

Exception Concerning COBA IDs in the Medigap Claim-based Range

CWF shall never apply the new overarching adjustment claim exclusion logic to incoming HUBC or HUDC claims whose field 34 (“Crossover ID”) header value falls within the range of 0000055000 to 0000059999, which represents the COBA identifier of a COBA Medigap claim-based crossover recipient, and for which there is not a corresponding BOI auxiliary record that likewise contains that insurer identifier. (See §80.17 of this chapter for more information concerning the COBA Medigap claim-based crossover process.)

O. Exclusion of Claims Containing Placeholder National Provider Identifier (NPI) Values

Effective October 6, 2008, the CWF maintainer shall create space within the header of its HUIP, HUOP, HUUH, HUHC, HUBC, and HUDC claims transactions for a new 1-byte “NPI-Placeholder” field (acceptable values=Y or space).

In addition, the CWF maintainer shall create space within page two (2) of the HIMR detail of the claim screen for 1) a new category “COBA Bypass”; and 2) a 2-byte field for the indicator “BN,” which shall designate that CWF auto-excluded the claim because it contained a placeholder provider value (see §80.15 of this chapter for more details regarding the “BN” bypass indicator).

NOTE: With the implementation of the October 2008 release, the CWF maintainer shall remove all current logic for placeholder provider values with the implementation of this new solution for identifying claims that contain placeholder provider values.

As contractors, including Medicare Administrative Contractors (MACs) and Durable Medical Equipment Medicare Administrative Contractors (DME MACs), adjudicate non VA MRA claims that fall within any of the NPI placeholder requirements, their shared system shall take the following combined actions:

- 1) Input a “Y” value in the newly created “NPI Placeholder” field on the HUIP, HUOP, HUUH, HUHC, HUBC, or HUDC claim transaction if a placeholder value exists on or is created anywhere within the SSM claim record (Note: Contractor systems shall include spaces within the “NPI Placeholder” field when the claim does not contain a placeholder NPI value); and

- 2) Transmit the claim to CWF, as per normal requirements.

Upon receipt of claims where the NPI Placeholder field contains the value “Y,” CWF shall auto-exclude the claim from the national COBA crossover process. In addition, CWF shall populate the value “BN” in association with the newly developed “COBA Bypass” field on page 2 of the HIMR Part B and DME MAC claim detail screens and on page 3 of the HIMR intermediary claim detail screen.

P. Excluding Physician Quality Reporting Initiative (PQRI) Only Codes Reported on 837 Professional Claims

Effective October 6, 2008, the CWF maintainer shall create space within the header of its HUBC claim transmission for a 1-byte PQRI indicator (valid values=Q or space).

In addition, CWF shall create a 2-byte field on page 2 of the HIMR claim detail in association with the new category “COBA Bypass” for the value “BQ,” which shall designate that CWF auto-excluded the claim because it contained only PQRI codes (see §80.15 of this chapter for more details regarding the bypass indicator).

Prior to transmitting the claim to CWF for normal processing, the Part B shared system shall input the value “Q” in the newly defined PQRI field in the header of the HUBC when all service lines on a claim contain PQRI (status M) codes.

Upon receipt of a claim that contains a “Q” in the newly defined PQRI field (which signifies that the claim contains only PQRI codes on all service detail lines, CWF shall auto-exclude the claim from the national COBA eligibility file-based and Medigap claim-based crossover processes. Following exclusion of the claim, CWF shall populate the value “BQ” in association with the newly developed “COBA Bypass” field on page 2 of the HIMR Part B claim detail screen.

***Q.* CWF Requirements for Health Care Pre-Payment Plans (HCPPs) that Receive Crossover Claims**

Effective January 5, 2009, at CMS’s direction, the COBC will assign all HCPP COBA participants a unique 5-byte COBA ID that falls within the range 89000 through 89999. The CWF system shall accept the reporting of this COBA ID range. (Refer to chapter 28, §70.6 for Medicare contractor requirements in association with HCPP crossovers.)

80.15 - Claims Crossover Disposition and Coordination of Benefits Agreement By-Pass Indicators

(Rev.1793, Issued: 08-07-09, Effective: 01-01-10, Implementation: 01-04-10)

1. Claims Crossover Disposition Indicators

Effective with the October 2004 systems release, when a COBA trading partner is in production mode (Test/Production Indicator sent via the COIF submission=P), CWF shall annotate each processed claim on detailed history in the Health Insurance Master Record (HIMR) with a claims crossover disposition indicator after it has applied the COBA trading partner’s claims selection criteria. (See the table below for a listing of the indicators.) In addition, when a COBA trading partner is in production mode, CWF shall annotate each processed claim with a 10-position COBA ID (5-digit COBA ID preceded by 5 zeroes) to identify the entity to which the claim was crossed or not crossed, in accordance with the terms of the COBA.

Prior to the July 2009 release, CWF shall **not** annotate processed Medicare claims on the detailed history screens in HIMR when a COBA trading partner is in test mode (Test/Production Indicator sent via the COIF submission=T).

Once the claims crossover process is fully consolidated under the Coordination of Benefits Contractor (COBC), Medicare contractor customer service staff will have access to a CWF auxiliary file that will display the crossover disposition of each beneficiary claim. The crossover disposition indicators that will appear on the HIMR detailed history screens (INPH, OUTH, HOSH, PTBH, DMEH, and HHAH) are summarized below.

Effective with October 2006, the CWF maintainer shall update its data elements/documentation to capture the revised descriptor for crossover disposition indicators “E,” as reflected below. In addition, the CWF maintainer shall update its data elements/documentation to capture the newly added “R,” “S,” “T,” “U,” and “V” crossover disposition indicators, as reflected in the Claims Crossover Disposition Indicators table below.

Effective with July 2007, the CWF maintainer shall update its data elements/ documentation to capture the newly added “W,” “X,” and “Y” crossover disposition indicators, as well as all other changes, reflected in the table directly below.

As reflected in the table below, the CWF maintainer is creating crossover disposition indicators “Z” and “AA” to be effective October 1, 2007. The CWF maintainer is creating and utilizing a new “AC” crossover disposition indicator as part of its COBA claims selection processing effective April 1, 2008.

Effective January 5, 2009, the CWF maintainer is creating crossover disposition indicators “AD” and “AE,” as indicated in the table below. The CWF shall utilize the “AD” indicator when an incoming claim does not meet any of the new adjustment, mass adjustment, or recovery audit contractor (RAC)-initiated adjustment inclusion criteria, as specified in §80.18 of this chapter. The CWF shall utilize the “AE” indicator when the COBA trading partner specifies that it wishes to exclude RAC-initiated adjustments and CWF does **not** otherwise exclude the claim for some other reason identified higher within its crossover exclusion logic hierarchy.

Effective with the July 2009 release, the CWF maintainer shall display all auto-exclude/COBA by-pass events, as detailed below, in association with an adjudicated claim within the COBA bypass field on page 3 of the HIMR intermediary claim detail screen and on page 2 of the HIMR Part B and Durable Medical Equipment Medicare Administrative Contractor (DME MAC) detail screen.

The CWF shall, in addition, create and display a new “BT” crossover disposition exclusion indicator on pages 2 and 3 of the HIMR claim detail screens, as appropriate, effective with July 2009.

Through this instruction, the CWF maintainer shall create additional fields within claim page 3 of the HIMR intermediary claim detail screen and page 2 of the Part B and DME MAC claim detail screens to allow for the reporting of crossover disposition indicators in association with “test” COBA crossover claims. As occurs presently, the CWF maintainer shall determine that a COBA trading partner is in “test” mode by referencing the incoming COBA Insurance File (COIF). The CWF maintainer shall 1) create additional fields for displaying “test” crossover disposition indicators within both the eligibility file-based and claim-based crossover portions of the claim detail screens on HIMR; and 2) display the “test” crossover disposition indicators so

that they mirror all such indicators used for “production” claims in association with the following four (4) claim versions: 4010A1, 5010, National Council for Prescription Drug Programs (NCPDP)-5.1, and NCPDP-D.0. **IMPORTANT:** If the COBC transmits a COIF that contains a COBA ID within the range 79000 through 79999 (Medicaid quality project), CWF shall post an “MQ” disposition indicator in association with the claim instead of the traditional “A” indicator when it selects the claim for crossover. (NOTE: “MQ” shall designate that Medicare is transferring the claim for Medicaid quality project purposes only.) CWF shall annotate claims whose COBA ID is 79000 through 79999 with “MQ” regardless of the claim version indicator in those instances where it selects the claims for crossover to the COBC. If CWF excludes from crossover a claim whose COBA ID equals 79000 through 79999, CWF shall continue to post the crossover disposition indicator that corresponds to the reason for the exclusion on the appropriate HIMR claim detail screen.

Effective January 4, 2010, CWF shall apply the newly developed crossover disposition indicator “AF”(see below) to incoming Part B original and adjustment fully paid claims, without deductible and co-insurance, when those claims contain denied service lines where the beneficiary has no liability.

| Claims Crossover Disposition Indicator | Definition/Description |
|---|--|
| A | This claim was selected to be crossed over. |
| B | This Type of Bill (TOB) excluded. |
| C | Non-assigned claim excluded. |
| D | Original Fully Paid Medicare claims without deductible and co-insurance remaining excluded. |
| E | Original Medicare claims paid at greater than 100% of the submitted charges without deductible or co-insurance remaining excluded (Part A). **Also covers the exclusion of Original Medicare claims paid at greater than 100% of the submitted charges excluded for Part B ambulatory surgical center (ASC) claims, even if deductible or co-insurance applies. |
| F | 100% denied claims, with no additional beneficiary liability excluded. |
| G | 100% denied claims, with additional beneficiary liability excluded. |

| | |
|---|---|
| H | Adjustment claims, monetary, excluded (not representative of mass adjustments). |
| I | Adjustment claims, non-monetary/statistical, excluded (not representative of mass adjustments). |
| J | MSP claims excluded. |
| K | This claim contains a provider identification number (ID) or provider state that is excluded by the COBA trading partner. |
| L | Claims from this Contractor ID excluded. |
| M | The beneficiary has other insurance (such as Medigap, supplemental, TRICARE, or other) that pays before Medicaid. Claim excluded by Medicaid. |
| N | NCPDP claims excluded. |
| O | All Part A claims excluded. |
| P | All Part B claims excluded. |
| Q | All DMERC claims excluded. |
| R | Adjustment claim excluded because original claim was not crossed over. |
| S | Adjustment fully paid claims with no deductible or co-Insurance remaining excluded. |
| T | Adjustment Claims, 100% Denied, with no additional beneficiary liability excluded. |
| U | Adjustment Claims, 100% Denied, with additional beneficiary liability excluded. |
| V | MSP cost-avoided claims excluded. |
| W | Mass Adjustment Claims—Medicare Physician Fee Schedule (MPFS) excluded. |
| X | Mass Adjustment Claims—Other excluded. |
| Y | Archived adjustment claim excluded. |

| | |
|-----------|--|
| Z | Invalid Claim-based Medigap crossover ID included on the claim. |
| AA | Beneficiary identified on Medigap insurer eligibility file; duplicate Medigap claim-based crossover voided |
| AB | Not Used ; already utilized in another current CWF application or process. |
| AC | All adjustment claims excluded. |
| AD | Adjustment inclusion criteria not met. |
| AE | Recovery audit contractor (RAC)-initiated adjustment excluded. |
| BT | Individual COBA ID did not have a matching COIF. |
| MQ | Claim transferred for Medicaid quality project purposes only. |
| <i>AF</i> | <i>Fully reimbursable claim containing denied lines with no beneficiary liability excluded.</i> |

2. COBA By-Pass Indicators

Effective with the October 2008 release, the CWF maintainer shall begin to display COBA bypass indicators in association with claims posted on HIMR. These indicators will appear on page 2 of the PTBH and DMEH screens and on page 3 of the INPH, OUTH, HHAH, or HOSH screens. The COBA Bypass Indicators appear in the table directly below.

Effective with the July 2009 release, the CWF maintainer shall additionally display by-pass indicators BA, BB, BC, BD, BE, BF ,BP, and BR on the appropriate detailed screens (PTBH or DMEH; INPH, OUTH, HHAH, or HOSH) on HIMR..

| Claims Crossover By-Pass Indicator | Definition/Description |
|---|---|
| BA | Claim represents an “Add History” only (action code 7 on HUOP claims; entry code 9 on HUBC and HUDC claims). Therefore, the claim is bypassed and not crossed over. |

| | |
|----|---|
| BB | Claim falls into one of two situations: 1) there is no eligibility record (exception: if HUBC or HUDC claim has a Medigap claim-based COBA ID); or 2) the only available eligibility record contains a “Y” delete indicator. Therefore, the claim is bypassed and not crossed over. |
| BC | Claim represents an abbreviated encounter record (TOB=11z; condition code=04 or 69); therefore, the claim is bypassed and not crossed over. |
| BD | Claim contains a Part B/DME MAC CWF claim disposition code other than 01, 03, or 05; therefore, the claim is bypassed and not crossed over. |
| BE | Submission of Notice of Elections [NOEs] (Hospice—TOB= 8xA through 8xE on HUHC; CEPP—TOB=11A through 11D on HUIP; Religious Non-Medical Care—TOB=41A, 41B, and 41D on HUIP; Medicare Coordinated Care – TOB=89A and 89B on HUOP). Therefore, the submission is bypassed and not crossed over. |
| BF | Claim represents an excluded demonstration (DEMO) project; therefore, the claim is bypassed and not crossed over. |
| BN | CWF auto-excluded the claim because it contained a placeholder provider value. |
| BP | Sanctioned provider claim during service dates indicated; therefore, the claim is bypassed and not crossed over. |
| BQ | CWF auto-excluded the claim because it contained only PQRI codes. |
| BR | Submission for Request for Anticipated Payment [RAP] claims (TOB=322 and 332); therefore, the submission is bypassed and not crossed over. |

80.18 - Inclusion and Exclusion of Specified Categories of Adjustment Claims for Coordination of Benefits Agreement (COBA) Crossover Purposes

(Rev.1793, Issued: 08-07-09, Effective: 01-01-10, Implementation: 01-04-10)

1. CWF Inclusion of Adjustment Claims

Effective January 5, 2009, the CWF system shall 1) create the newly defined **inclusion** of adjustment claims option, along with 1-byte file displacement, within its version of the COIF; and 2) accept and process this new field when the COBC transmits it as part of its regular COIF updates.

Upon receipt of a COIF that features a COBA identification number (ID) with specifications to **include** adjustment claims only, the CWF shall select only those claims for COBA crossover that meet the following specifications:

- 1) The claim's action code=3, entry code=5, or claim adjustment indicator="A"—all of which designate an "adjustment" claim; **and**
- 2) The claim meets no other exclusion criteria, as specified on the COIF, **or** does **not** meet the NPI placeholder value by-pass exclusion logic.

With the implementation of this change, the CWF shall continue to select adjustment claims only if it previously selected the "original" claim for crossover (logic for adjustment indicator "R"; see §80.14 of this chapter for additional details regarding this logic).

If the incoming HUIP, HUOP, HUUH, HUH, HUB, or HUDC claim contains spaces in the new designated RAC adjustment indicator field, CWF shall select the claim in accordance with the COBA trading partner's claims selection criteria specified on the COIF.

2. CWF Inclusion of Two Categories of Mass Adjustment Claims for Crossover Purposes

Effective January 5, 2009, the CWF system shall 1) create the newly defined **inclusion** of mass adjustment claims—MPFS updates and mass adjustment claims—other options, along with accompanying 1-byte file displacement indicators, within its version of the COIF; and 2) accept and process these new fields when the COBC transmits them as part of its regular COIF updates.

Upon receipt of a HUIP, HUOP, HUUH, HUH, HUB, or HUDC claim transaction, CWF shall take the following actions: 1) Verify that the claim transaction contains an "M" or "O" mass adjustment claim header indicator; 2) verify that the claim's action code=3, or entry code=5, or adjustment header indicator=A; 3) check the COIF to determine if the COBA trading partner wishes to include mass adjustment claims—MPFS or mass adjustment claims--other; 4) **include** the claim for crossover, unless the "original" claim was **not** crossed over (logic for crossover disposition indicator "R") **or** the claim meets any claims exclusion criteria as specified on the COIF.

If the incoming HUIP, HUOP, HUUH, HUH, HUB, or HUDC claim contains spaces in the mass adjustment indicator field, CWF shall select the claim per the COBA trading partner's claims selection criteria, as specified on the COIF.

3. CWF Inclusion and Exclusion of Recovery Audit Contractor (RAC)-Initiated Adjustment Claims

At CMS's direction, the COBC will modify the COIF to allow for the unique **inclusion** and exclusion of RAC-initiated adjustment claims. The CWF system shall 1) create the newly defined **inclusion** and **exclusion** of RAC-initiated adjustment options, along with accompanying 1-byte file displacement, on its version of the COIF; and 2) accept and process these new fields when the COBC transmits them as part of its regular COIF updates.

Effective January 5, 2009, the CWF maintainer shall create a 1-byte RAC adjustment value in the header of its HUIP, HUOP, HUUH, HUH, HUB, and HUDC claims transactions (valid values= "R" or spaces.)

The CWF maintainer shall, in addition, include the 1-byte RAC adjustment indicator in the header of the claim that is posted to history on HIMR, thereby ensuring that CWF displays the indicator when a user accesses the INPH, OUTH, PTBH, DMEH, and related HIMR screens.

Contractor Actions

Through this instruction, all contractor systems shall develop a method for uniquely identifying all varieties of RAC-requested adjustments, which occur as the result of post-payment review activities.

Prior to sending its processed 11X and 12X type of bill RAC adjustment transactions to CWF for normal verification and validation, the Part A shared system shall input an "R" indicator in the newly defined header field of its HUIP claims transactions if the RAC-initiated adjustment claim meets either of the following conditions:

- 1) The claim *recovery action* resulted in Medicare changing its payment decision from paid to denied (i.e., Medicare paid \$0.00 as the result of the adjustment performed) ; **or**
- 2) The claim *recovery action* resulted in a Medicare adjusted payment *amount* that *is equal to or greater than* the amount of the inpatient hospital deductible.

Prior to sending RAC-initiated adjustment claims **with all other type of bill designations** (bill types other than 11X and 12X) to CWF for normal processing, the Part A shared system shall input an "R" indicator in the newly defined header field of the HUOP, HUUH, and HUH claim transaction.

Prior to sending their processed RAC adjustment transactions to CWF for normal verification and validation, the Part B and Durable Medical Equipment Medicare Administrative Contractor

(DME MAC) shared systems shall input an “R” indicator in the newly defined header field of their HUBC and HUDC claim transactions. (See chapter 28, §70.6 for more details.)

CWF Actions

Upon receipt of a claim that contains an “R” in its header in the newly defined field, CWF shall take the additional following actions:

- 1) Verify that the claim’s action code=3, entry code=5, or header claim adjustment indicator=A;
- 2) Check the COIF to determine if the COBA trading partner wishes to **include** RAC-initiated claims;
- 3) **Include** the claim for crossover, **unless** the “original” claim was **not** crossed over (logic for crossover disposition indicator “R”) **or** the claim meets any other claims exclusions specified on the COIF; **or**
- 4) **Exclude** the claim if the COIF specifies exclusion of RAC-initiated adjustment claims.

In addition, if the incoming HUIP, HUOP, HUUH, HUHC, HUBC, or HUDC claim contains spaces in the new designated RAC adjustment indicator field, CWF shall select the claim in accordance with the COBA trading partner’s claims selection criteria, as specified on the COIF.