CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 1284	**Date: JULY 9, 2007**
	Change Request 5586

Subject: Chapter 24 Update and EFT Format Standardization

I. SUMMARY OF CHANGES: This revision includes some changes or clarifications that apply to subsections in this chapter. Pub.100-04, Medicare Claims Processing, Chapter 24, is being updated to modify EFT language and replace current wording regarding ASCA funding. This Change Request (CR) also instructs the Shared System Maintainers and the contractors to use NACHA format CCP - (CCD+) (ACH) with Electronic Funds Transfer (EFT) when the money and the electronic remittance advice travel separately.

New / Revised Material
Effective Date: July 1, 2007
Implementation Date: October 1, 2007 for FISS
October 1, 2007 for MCS

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	24/40/40.7/Electronic Funds Transfer (EFT)
R	24/90/90.5.3/A/Identification of Those Providers to be Reviewed

III. FUNDING:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 1284	Date: July 9, 2007	Change Request: CR 5586

SUBJECT: Chapter 24 Update and EFT Format Standardization

Effective Date: July 1, 2007

Implementation Date: October 1, 2007 for FISS
October 1, 2007 for MCS

I. GENERAL INFORMATION

A. Background: This revision includes some changes or clarifications that apply to subsections in this chapter. Chapter 24 is being updated to modify EFT language and replace current wording regarding ASCA funding.

- Section 40.7 has been updated to modify EFT language
- Section 90.5.3.A has been updated to modify current language regarding ASCA review funding

This Change Request (CR) also instructs the contractors and the Shared System Maintainers (SSM) that NACHA format CCP - Cash Concentration/Disbursement plus Addenda (CCD+) (ACH) as mentioned in the X12N 835v004010A1 implementation guide must be used to include the addenda record for reassociation of dollars with data when Electronic Funds Transfer (EFT) is used for payment – when the qualifier in data field BPR04 is equal to ACH.

B. Policy: Carriers, A/B MAC, DME MAC, DMERC, Fiscal Intermediaries, Shared System Maintainers, and providers must adhere to electronic data interchange (EDI) requirements for Medicare as contained in Chapter 24. If BPR04 = ACH, the NACHA format CCP - Cash Concentration/Disbursement plus Addenda (CCD+) (ACH) must be used to send the addenda record for reassociation of dollars with data when they travel separately. The addenda must contain a copy of the TRN segment.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
5586.1	Contractors shall be aware of the changes made to Chapter 24 of the IOM.	X	X	X	X	X	X					
5586.2	Contractors shall conduct ASCA reviews annually of 20% of providers submitting CMS 1500 paper claims who were not previously reviewed in the past 2 years and at that time	X	X		X							

	were determined to have fewer than 10 FTEs employed by the practice (Section 90.5.3).											
5586.3	Shared System Maintainers shall make necessary programming changes to make sure that the addenda record is sent with Electronic Funds Transfer (EFT) for reassociation of dollars with data when EFT and remittance advice travel separately. NACHA format CCP - Cash Concentration/Disbursement plus Addenda (CCD+) (ACH) as mentioned in the X12N 835 implementation guide shall be used to include the addenda record. The addenda shall contain a copy of the TRN segment.							X	X			
5586.4	Contractors shall make sure that the addenda record is sent with EFT if the EFT and the remittance advice travel separately. The EFT format must be NACHA format CCP - Cash Concentration/Disbursement plus Addenda (CCD+) (ACH) as mentioned in the X12N 835 version 004010A1 implementation guide to include the addenda record. NOTE: The DME MACs are responsible for verifying subsequent EFT changes although NSC is responsible for EFT verification of initial enrollments.	X	X	X	X	X	X	X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
5586.5	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next	X	X		X							

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
	regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.											

IV. SUPPORTING INFORMATION: N/A

V. CONTACTS

Pre-Implementation Contact(s): ASCA – Kathy Simmons Kathleen.Simmons@cms.hhs.gov
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Post-Implementation Contact(s): ASCA – Kathy Simmons Kathleen.Simmons@cms.hhs.gov
EFT – Sumita Sen sumita.sen@cms.hhs.gov

VI. FUNDING

A. *For TITLE XVIII Contractors*:
No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. *For Medicare Administrative Contractors (MAC)*:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. We do not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified 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.

40.7 – Electronic Funds Transfer (EFT)

(Rev. 1284; Issued: 07-09-07; Effective : 07-01-07; Implementation Date: 10-01-07)

Although EFT is not mandated by HIPAA, EFT is the required method of Medicare payment for all providers entering the Medicare program for the first time and any existing providers, not currently receiving payments by EFT, who are submitting a change to their existing enrollment data. Carriers, A/B MACs, FIs, and RHHIs shall compare a signed copy of Form CMS-588, Electronic Funds Transfer Authorization Agreement, to a CMS-855 form on file. For changes of information, DME MACs shall verify the authorized official on the CMS 855. Medicare contractors shall not approve any requests to change payment method from EFT to check.

A carrier, A/B MAC, DME MAC, FI or RHHI shall use a transmission format that is both economical and compatible with the servicing bank. If the money is traveling separately from an X12 835 transaction, then contractors shall use National Automated Clearinghouse Association (NACHA) format CCP (Cash Concentration/Disbursement plus Addenda –CCD+) to make sure that the addenda record is sent with the EFT. Providers need the addenda record to reassociate dollars with data. Carriers, A/B MACs, DME MACs, FIs, and RHHIs shall transmit the EFT authorization to the originating bank upon the expiration of the payment floor applicable to the claim. They shall designate a payment date (the date on which funds are deposited in the provider's account) of two business days later than the date of transmission.

90.5.3 - Contractor Roles in ASCA Reviews

(Rev. 1284; Issued: 07-09-07; Effective : 07-01-07; Implementation Date: 10-01-07)

A. Identification of Those Providers to be Reviewed

Separate funding will no longer be issued for these reviews annually. Each carrier and DME MAC (not FI) shall conduct an ASCA review annually of 20% of those providers still submitting paper bills. Funding for these reviews is to be included in annual budget requests submitted to CMS for FY 2008 and later years.

The following providers will be included in the quarterly report, but contractors are not to select a provider for review that quarter if:

- A prior quarter review is underway and has not yet been completed for that provider (start date of prior review is listed in the report but not yet a completion date);
- The provider has been reviewed within the past two years, determined to be a "small" provider, and there is no reason to expect the provider's "small" status will change for at least two years (provider file past ASCA review result was

"SM" and completion date of that review is less than 24 months in the past); or

- Fewer than 30 paper claims were submitted by the provider for the quarter.

When calculating 20% of providers still submitting paper claims, exclude those providers mentioned above who will not be considered for an ASCA review. For example, a contractor receives claims for 3,200 providers but only 2,000 of those submit any paper claims, and 1,800 submit more than 30 paper claims per quarter. 600 of that 1,800 have been reviewed within 2 years of the quarter in which a Medicare contractor is now determining which providers should be reviewed during that quarter and determined to be small. 75 of the paper billers in the quarterly report had reviews begin the prior quarter which are still open. That leaves a balance of 1,125 providers who could be subject to an ASCA review during the current quarter. 1,125 is the total of the universe of providers that are candidates for review during the current quarter and the number of the universe to be reported to CMS in the contractor's monthly ASCA report. 20% of 1,125 is 225 and ¼ of 225 is 56 ¼. That contractor is expected to begin at least 56 new ASCA reviews during the current quarter. By the end of the fiscal year (FY), that contractor is expected to have begun ASCA reviews of the average of the provider universe totals for the quarters multiplied by 20%. In this example, if 1,125 providers was the average number of providers considered for ASCA review for the 4 quarters of the FY and the contractor began ASCA reviews of 225 of those providers by the end of the FY, that contractor will have met the 20% target for that FY.