

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-05 Medicare Secondary Payer	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11381	Date: April 29, 2022
	Change Request 12678

SUBJECT: Updating the Common Working File (CWF) Logic Tied to Medicare Secondary Payer (MSP) Investigational Records to Match Newly Revised Development Timeframes

I. SUMMARY OF CHANGES: Through this instruction, the Centers for Medicare & Medicaid Services (CMS) is modifying the CWF timeframes for allowing Medicare Administrative Contractors to create an additional MSP investigational record.

EFFECTIVE DATE: October 1, 2022

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

IMPLEMENTATION DATE: October 3, 2022

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	6/10.1- Overview of CWF MSP Processing
R	6/20.2 - Medicare Secondary Payer (MSP) Maintenance Transaction Record/Medicare Contractor MSP Auxiliary File Update Responsibility

III. FUNDING:

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**

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
12678.2	All A/B Medicare Administrative Contractors and Durable Medical Equipment Medicare Administrative Contractors shall update their documentation and processes, including any outbound correspondence, to reflect the change in development timeframes from 100 to 45 days.	X	X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

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

V. CONTACTS

Pre-Implementation Contact(s): Brian Pabst, 410-786-2487 or brian.pabst@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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.

ATTACHMENTS: 0

10.1 - Overview of CWF MSP Processing

(Rev.11381; Issued: 04-29-22; (Effective: 10-01-22; Implementation: 10-03- 22)

The CWF MSP auxiliary file is updated with maintenance transactions from the *MSP contractor responsible for coordination of benefits (formerly known as the Benefits Coordination & Recovery Center or Coordination of Benefits Contractor and hereafter termed the "MSP contractor")*, except for the following situations:

1. If the *A/B Medicare Administrative Contractor (MAC) (Part A), A/B MAC (Part B), or A/B MAC (HHH) (collectively referred to as A/B MACs) or Durable Medical Equipment Medicare Administrative Contractor (DME MAC)* receives a phone call or correspondence from an attorney/other beneficiary representative, beneficiary, third-party payer, provider, another insurer's Explanation of Benefits (EOB) or other source that establishes, exclusive of any further required development or investigation, that MSP no longer applies, it must add termination dates to MSP auxiliary records already established by the *MSP contractor* with a "Y" validity indicator where there is no discrepancy in the validity of the information contained on CWF. (See §20.1.4)

2. If the *A/B MAC* receives a claim for secondary benefits and could, without further development (for example, the EOB from another insurer or third-party payer contains all necessary data) add an MSP occurrence and pay the secondary claim, it submits a validity indicator of "I" to add any new MSP occurrences (only if no MSP record with the same MSP type already exists on CWF with an effective date within 45 days of the effective date of the incoming "I" record). An "I" record is to be added to the CWF within 10 calendar days when the claim is suspended for MSP (internal system or CWF, whichever suspends first) if no MSP record with the same MSP type already exists in CWF. It cannot submit a new record with a "Y" or any record with an "N" validity indicator. *Note: Effective October 1, 2021, DME MACs no longer submit "I" records and instead submit an Electronic Correspondence Referral System (ECRS) Inquiry to create an MSP record.*

3. If the *A/B MAC* receives a claim for conditional payment, and the claim contains sufficient information to create an "I" record without further development, it must add the MSP occurrence using an "I" validity indicator (only if no MSP record with the same MSP type already exists on CWF with an effective date within 45 days of the effective date of the incoming "I" record). An "I" record is to be added to the CWF within 10 calendar days when the claim is suspended for MSP (internal system or CWF, whichever suspends first) if no MSP record with the same MSP type already exists in CWF.

A/B MACs shall transmit "I" records to CWF via the current HUSP transaction. The CWF will treat the "I" validity indicator the same as a "Y" validity indicator when processing claims. "I" records should only be submitted to CWF if no MSP record with the same MSP type already exists on CWF with an effective date within 45 days of the effective date of the incoming "I" record. *Therefore*, "I" records submitted to CWF that fail these edit criteria will be rejected with an SP 20 error code. Receipt of an "I" validity indicator will result in a CWF trigger to the *MSP contractor*. The *MSP contractor* will develop and confirm all "I" maintenance transactions established by the *A/B MAC*. *If the MSP contractor receives an affirmative confirmation of MSP through its development efforts within 45 calendar days, the MSP contractor will convert the "I" to a "Y" validity indicator.* If the *MSP contractor* has not received *confirmation of MSP through its development efforts* within 45 calendar days, the *MSP contractor* will automatically delete the "I" validity indicator. *Also*, if the *MSP contractor* develops and determines there is no MSP, the *MSP contractor* will delete the "I" record. An "I" record should never be established when the mandatory fields of information are not readily available to the *A/B MAC* on its claim attachment or unsolicited refund documentation. If the *A/B MAC* has the actual date that Medicare became secondary payer, it shall use that as the MSP effective date. If that information is not available, it shall use the Part A entitlement date as the MSP effective date. It may include a termination date when it initially establishes an "I" record. It may not add a termination date to an already established "I" record.

Prior to April 1, 2002, the *A/B MACs and DME MACs* posted MSP records to CWF where beneficiaries were entitled to Part B benefits, but not entitled to Part A benefits. An MSP situation cannot exist when a beneficiary has GHP coverage (i.e., working aged, disability and ESRD) and is entitled to Part B only.

CWF edits to prevent the posting of these MSP records to CWF when there is no Part A entitlement date. If an *A/B MAC or DME MAC* submits an Electronic Correspondence Referral System (ECRS) transaction to the *MSP contractor* to add a GHP MSP record where there is no Part A entitlement, the *MSP contractor* will return reason code of 61. *A/B MACs or DME MACs* should not submit an ECRS request to *the MSP contractor* to establish a GHP MSP record when there is no Part A entitlement. *A/B MACs* that attempt to establish an "I" record will receive a CWF error.

The CWF will continue to allow the posting of MSP records where there is no Part A entitlement when non-employer GHP situations exists, such as automobile, liability, and workers' compensation. Where a non-employer GHP situation exists, contractors should continue to submit ECRS transactions and establish "I" records, as necessary. Note: In the past *A/B MACs and DME MACs* have sent ECRS requests to the *MSP contractor* requesting that section 111 records be updated. The *MSP contractor* has rejected most of these requests based on CMS hierarchy of Section 111 entities taking precedence on updating contractor number 11121 and 11122 MSP records. However, CMS has clarified that the *MSP contractor* shall accept MACs ECRS requests to update contractor number 11121 and 11122 MSP records based on conditions below. *A/B MACs and DME MACs* shall continue to submit ECRS requests to the *MSP contractor* for contractor numbers 11121 and 11122 for the following circumstances:

- When the *A/B MAC or DME MAC* receives information indicating the Group number or policy number of the primary payer has changed,
- When the *A/B MAC or DME MAC* learns of a retirement date for the beneficiary and a termination date must be added to the MSP record,
- When the *A/B MAC or DME MAC* receives information indicating the Insurance Type A, J or K has changed or conflicts with what is on the CWF MSP Auxiliary file, or
- When an A/B MAC or DME MAC receives a primary payer EOB or remittance advice showing payment for a deleted or closed Section 111 GHP MSP record that should remain open. Note: The *MSP contractor* will not accept an NGHP record update request for this type of MSP claim situation.

Please note it is to the discretion of the *MSP contractor* to approve these Section 111 ECRS requests upon review. Approval or denial of such ECRS requests shall be sent to the *A/B MACs or DME MACs* by the *MSP contractor*.

MSP Auxiliary maintenance transactions, for the four situations listed above, and claims for payment approval may be submitted to CWF in the same file. The CWF processes the MSP maintenance transactions before processing claims. This procedural flow is to assure processing for claim validation against the most current MSP data. If the MSP claim is accepted, the CWF host will return all MSP data on a beneficiary's auxiliary file to the submitting contractor via an "03" trailer. If the claim is rejected, the host will return only those MSP records that fall within the dates of service on the claim. A maximum of 17 MSP auxiliary records may be stored in CWF for each beneficiary. The validity indicator field of each CWF MSP auxiliary record indicates confirmation that:

- Another insurer is responsible for payment ("Y" in the field); or
- Medicare is the primary payer ("N" in the field, IEQ record).

A/B MACs and DME MACs may access the MSP auxiliary file through the online CWF file display utility Health Insurance Master Record (HIMR).

A/B MACs and DME MACs cannot delete MSP auxiliary records. They send such requests to the *MSP contractor* via the Electronic Correspondence Referral System (ECRS). (See Chapter 5, §§10.)

20.2 - Medicare Secondary Payer (MSP) Maintenance Transaction Record/Medicare Contractor MSP Auxiliary File Update Responsibility **(Rev.11381; Issued: 04-29-22; (Effective: 10-01-22; Implementation: 10-03- 22)**

Effective January 1, 2001, the capability to update the CWF MSP auxiliary file is essentially a function of only the *MSP contractor*. *A/B Medicare Administrative Contractors (MACs) (Part A), A/B MACs (Part B), and A/B MACs (HHH) (collectively referred to as A/B MACs) and Durable Medical Equipment Medicare Administrative Contractors (DME MACs)* do not have the capability to delete any MSP auxiliary file records, including those that a specific *A/B MAC or DME MAC* established. If it is believed that a record should be changed or deleted, *A/B MACs and DME MACs* use the MSP Contractor via the Electronic Correspondence Referral System (discussed in the Medicare Secondary Payer (MSP) Manual, Chapters 4 and 5, CWF Assistance Request option, to notify the *MSP contractor of the needed revision*. *A/B MACs and DME MACs* process claims in accordance with existing claims processing guidelines.

There are only two instances in which *A/B MACs and DME MACs* retain the capability to update CWF. They are:

A. A claim is received for secondary benefits and the contractor could, without further development (for example, the EOB from another insurer or third-party payer contains all necessary data), add an MSP occurrence and pay the secondary claim. *A/B MACs* must use a validity indicator of "I" to add new MSP occurrences and update CWF. An "I" record is to be added to the CWF within 10 calendar days when the claim is suspended for MSP (internal system or CWF, whichever suspends first) if no MSP record with the same MSP type already exists in CWF. *Note: Effective October 1, 2021, DME MACs no longer submit "I" records and instead submit an Electronic Correspondence Referral System (ECRS) Inquiry to create an MSP record. A/B MACs* cannot submit a new record with a "Y" or any record with an "N" validity indicator.

B. A claim is received for conditional payment, and the claim contains sufficient information to create an "I" record without further development. *A/B MACs* add the MSP occurrence using an "I" validity indicator. An "I" record is to be added to the CWF within 10 calendar days when the claim is suspended for MSP (internal system or CWF, whichever suspends first) if no MSP record with the same MSP type already exists in CWF.

A/B MACs will transmit "I" records to CWF via the current HUSP transaction. The CWF will treat the "I" validity indicator the same as a "Y" validity indicator when processing claims. Receipt of an "I" validity indicator will result in a CWF trigger to the *MSP contractor*. The *MSP contractor* will develop and confirm all "I" maintenance transactions established by the *A/B MAC*. *If the MSP contractor receives an affirmative confirmation of MSP through its development efforts within 45 calendar days, the MSP contractor will convert the "I" to a "Y" validity indicator.* If the *MSP contractor* has not received *confirmation of MSP through its development efforts* within 45 calendar days, the *MSP contractor* will automatically delete the "I" validity indicator. *Also, if the MSP contractor* develops and determines there is no MSP, the *MSP contractor* will delete the "I" record. An "I" record should never be established when the mandatory fields of information are not readily available to an *A/B MAC* on a claim attachment. If the *A/B MAC* has the actual date that Medicare became secondary payer, they use that as the MSP effective date. If that information is not available, the *A/B MAC shall* use the Part A entitlement date as the *GHP* MSP effective date. *A/B MACs* may include a termination date when they initially establish an "I" record. *However*, they may not add a termination date to an already established "I" record.

Effective *October 3, 2022*, CWF accepts an "I" record only if no MSP record (validity indicator of either "I" or "Y," open, closed or deleted status) with the same MSP type already exists on CWF with an effective date within *45* calendar days of the effective date of the incoming "I" record. *Therefore*, "I" records submitted to CWF *before 45 calendar days have elapsed* will reject with an SP 20 error code. The resolution for these cases is to transfer **all** available information to the *MSP contractor* via the Electronic Correspondence Referral System (ECRS) CWF assistance request screen. It will be the responsibility of the *MSP contractor* to reconcile the discrepancy and make any necessary modifications to the CWF auxiliary file record.

In addition, effective January 1, 2003, a refund or returned check is no longer a justification for submission of an "I" record. Since an "I" record does not contain the source (name and address) of the entity that returned the funds, *the MSP contractor* lacks the information necessary to develop to that source. Follow the examples below to determine which ECRS transaction to submit.

1. An MSP inquiry should be submitted when there is no existing or related MSP record on the CWF. A "related" record *means if an MSP record on CWF matches and has the same HICN/MBI, MSP type, MSP effective date, Insurance type, patient relationship code, and validity indicator.*

2. The CWF assistance request should be submitted when the information on the CWF is incorrect or the MSP record has been deleted.

3. *The check or voluntary refund either opens and/or closes the MSP case or MSP issue. Under these circumstances, the A/B MACs or DME MACs shall submit an MSP inquiry to open or close the MSP record. **Note:** The A/B MACs or DME MACs should refer to the ECRS manual for more information regarding closed cases.*

The check should be deposited to unapplied cash until *the MSP contractor* makes an MSP determination.