Related MLN Matters Article #: MM5662 Revised

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Notifying Affected Parties Regarding Changes to the Mandatory Medigap (claim-based) Crossover Process

Key Words

MM5662, CR5662, R283OTN, Medigap, Claim-Based, Crossover

Provider Types Affected

Physicians, providers, and suppliers submitting claims to Medicare Carriers, Durable Medical Equipment Medicare Administrative Contractors (DME MACs), or Part A/B Medicare Administrative Contractors (A/B MACs) for services provided to Medicare beneficiaries

> **Note:** MLN Matters article MM5662 was revised on January 31, 2008, to add references and links to related articles SE0743, MM5601, and MM5837. These links may be found in the Important Links section below.

Key Points

- The effective date of the instruction is June 15, 2007.

- The implementation date is July 16, 2007.

- Change Request (CR) 5662 outlines the processes that Part B carriers, A/B MACs responsible for Part B claims processing, and DME MACs must follow when notifying affected parties that the mandatory Medigap (claim-based) crossover process is being transitioned to the Coordination of Benefits Contractor (COBC) effective October 1, 2007

- The Centers for Medicare & Medicaid Services (CMS) has decided that (effective October 1, 2007) all mandatory Medigap (claim-based) crossovers will now be accomplished through its COBC.

- In accordance with Public Law 104-191 and 45 Code of Federal Regulations 160, CMS has decided that it will **only** transmit claims to Medigap claim-based crossover recipients in two formats:

  - The Health Insurance Portability and Accountability Act (HIPAA), American National Standards Institute X12-N 837 professional (version 4010A1) COB claim format or

- The National Council for Prescription Drug Programs (NCPDP) version 5.1 batch standard 1.1 format.

- The systematic requirements that relate to this transition were communicated in CR5601 and reflected in MLN Matters article MM5601 at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5601.pdf* on the CMS website.

- Starting with June 2007, the COBC will gradually begin to assign new Medigap claim-based Coordination of Benefits Agreement (COBA) identifiers (range 55000 to 59999) to Medigap insurers that have not voluntarily moved to the COBA eligibility file-based crossover process.

- CMS anticipates that the COBC will complete the execution of crossover agreements with Medigap claim-based insurers and assign new COBA Medigap claim-based identifiers to these entities by August 31, 2007.

- As the COBC assigns a new COBA Medigap claim-based identifier (ID) to a Medigap claim-based crossover recipient, CMS will alert all Part B contractors (including A/B MACs and DME MACs) via e-mail of this action on a weekly basis.

- The CMS alert will include the following information:

  - Affected entity's name;

  - The entity's multiple formerly contractor-assigned Other Carrier Name and Address (OCNA) or N-key identifiers; and

  - Its newly assigned COBA Medigap claim-based ID.

- Upon receipt of the CMS alert, the affected contractors must manually add the newly assigned COBA Medigap claim-based ID to their existing insurer screens or tables to replace the formerly assigned OCNA or N-key identifier.

- Contractors must also maintain a link to the COB website at *http://www.cms.hhs.gov/COBAgreement* to receive updates to the COBA Medigap claim-based ID listing.

- The affected contractors will post the CMS' Medigap claim-based crossover transition announcement in its entirety on their websites that are accessed by the public and insurers.

- These contractors will also mail the CMS announcement on a one-time basis to their electronic Medigap claim-based crossover recipients and must also notify their paper claim recipients through information included with their next scheduled claim mailings.

- Effective October 1, 2007, the COBC will assume responsibility for the Medigap claim-based crossover, which is driven by information that participating providers enter on the incoming claim.

- The primary change for providers that resulted from this transition will be that they will need to include a new Medigap identifier, even in advance of October 1, 2007, on their incoming Medicare claims to trigger crossovers to Medigap insurers.

- From June through August 2007, CMS will assign each Medigap insurer that does not provide an eligibility file to the COBC to identify all of its covered policy or certificate holders for crossover purposes a new 5-digit COBA Medigap claim-based ID.

- Providers may reference a weekly updated listing of the newly assigned COBA Medigap claim-based IDs for Medicare billing purposes at *http://www.cms.hhs.gov/COBAgreement/Downloads/Medigap%20Claim-based%20COBA%20IDs%20for%20Billing%20Purpose.pdf* on the CMS website.

- Once the COBC has assigned a new COBA Medigap claim-based ID to a Medigap insurer, participating providers that wish to trigger crossovers to Medigap insurers will be required to include that new identifier, as found on the CMS COB website, on their incoming Medicare claims.

- Failure to do so will result in their claims not being successfully crossed over to the Medigap insurer.

- If the older contractor-assigned number is included on the claim, Medicare will include the standard MA19 message ("Information was not sent to the Medigap insurer due to incorrect/invalid information you submitted concerning the insurer").

- Providers should verify their information and submit their secondary claim directly to that insurer on the provider's electronic remittance advice or other production remittance advice for the associated claim(s).

- Participating providers that are permitted under Administrative Simplification Compliance Act to bill Medicare on paper should include the newly assigned 5-digit COBA Medigap claim-based ID within block 9-D of the CMS-1500 claim form.

- Providers that are required to bill Medicare electronically, using the HIPAA American National Standards Institute X12-N 837 professional claim, will include the newly assigned 5-byte only COBA Medigap claim-based ID (range=55000 to 59999) left-justified in field NM109 of the NM1 segment within the 2330B loop and followed by spaces. **(See important note below, regarding the submission of claims to DME MACs.)**

- Retail pharmacies that bill NCPDP batch claims to Medicare will include the newly assigned Medigap identifier left justified within field 301-C1 of the T04 segment of their incoming NCPDP claims and followed by spaces.

Important Note: For all of the claim submission situations discussed above, suppliers (including retail pharmacies) that bill DME MACs must include an accompanying 4-byte "Z001" identifier with the newly assigned COBA Medigap claim-based crossover ID (for example, 55000Z001) when seeking to trigger Medigap claim-based crossovers during the interim transitional period, which runs from June through September 30, 2007.

- Providers should notify their clearinghouses and billing vendors of the impending changes to the existing Medigap claim-based crossover process as soon as possible.

Important Links

The related MLN Matters article can be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5662.pdf* on the CMS website.

The official instruction (CR5662) issued regarding this change may be found at *http://www.cms.hhs.gov/Transmittals/downloads/R283OTN.pdf* on the CMS website.

Providers may also want to review the following related articles:

- MM5601 (Transitioning the Mandatory Medigap ("Claim-Based") Crossover Process to the Coordination Benefits Contractor (COBC)) at
  http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5601.pdf .

- SE0743 (Clarification Concerning Provider Billing Procedures Related to the Transition of the Medigap claim-based Crossover Process to the Coordination of Benefits Contractor on October 1, 2007) at
  http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0743.pdf ; and

- MM5837 (Clarification Regarding the Coordination of Benefits Agreement (COBA) Medigap Claim-based Crossover Process) at
  http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5837.pdf on the CMS website.

Providers with questions should contact their contractor at their toll-free number, which may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.