CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 4023	**Date: April 20, 2018**
	Change Request 10621

SUBJECT: Update of Internet Only Manual (IOM), Medicare Claims Processing Manual, Publication 100-04, Chapter 37 - Department of Veterans Affairs (VA) Claims Adjudication Services Project

I. SUMMARY OF CHANGES: This CR is to update the IOM, Publication. 100-04, Chapter 37 - Department of Veterans Affairs (VA) Claims Adjudication Services Project to include the requirements for processing VA Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) claims.

EFFECTIVE DATE: July 20, 2018
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 20, 2018

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	37/Table of Contents
R	37/1.1/Requirements for Processing VA Institutional and Professional Claims
N	37/1.1.2/Requirements for Processing VA Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Claims

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 4023	Date: April 20, 2018	Change Request: 10621

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I. GENERAL INFORMATION

A. Background: The purpose of this CR is to publish an updated version of IOM Pub.100-04, Chapter 37. The chapter has been updated to reflect the addition of DMEPOS claims submission for VA service project. CMS will implement the addition of submission of VA DMEPOS claims, effective April 1, 2018.

B. Policy: Public Law 101-508: Use of a Medicare-equivalent Remittance Advice (MRA) was mandated by a VA legal settlement with USAA/Hartford in January 2003. The MRA provides Medicare-equivalent adjudication information to secondary payers so they can accurately determine the appropriate amount of reimbursement due to VA.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
10621.1	Contractors shall be aware of changes to the IOM Pub. 100-04 chapter 37 - Department of Veterans Affairs (VA) Claims Adjudication Services Project.									CEDI, JD DME MAC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	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): Wendy Tucker, wendy.tucker@cms.hhs.gov, Diana Motsiopoulos, diana.motsiopoulos@cms.hhs.gov.

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 1

Medicare Claims Processing Manual
Chapter 37 - Department of Veterans Affairs (VA) Claims Adjudication Services Project

Table of Contents
(Rev.4023, Issued: 04-20-18)

Transmittals for Chapter 37

1.1 - Requirements for Processing VA *Institutional and Professional* Claims

1.1.2 – Requirements for Processing VA Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Claims

1.1 - Requirements for Processing VA *Institutional and Professional* Claims

(Rev. 4023, Issued: 04-20-18, Effective: 07- 20-18, Implementation: 07-20- 18)

Veterans typically see more than one physician at a VA facility on a given day. The A/B MAC (B)-defined provider number will contain a "V" in the first position and specialty codes. Including specialty codes permits the VA to have multiple provider numbers to accommodate various professional services furnished at a given facility on the same day for the same beneficiary-veteran. CWF will edit to ensure that only claims having all three of the following conditions will be processed according to the special VA claims adjudication procedures of this project:

1. A demo number of 31 is present;

2. A V is present in the first position of the A/B MAC (B) defined provider number field (HUBC Field 83 Provider Number, Positions 440-449); and

3. The VA A/B MAC (B) number is present

If only two of these conditions are present, then CWF will reject the claim. If only the demo code of 31 is present, CWF will also reject the claim.

The VA will use the ASC X12 837 professional claim format for A/B MAC (B) equivalent claims.

To process VA claims from various localities, the VA A/B MAC (A) and (B) has established a database for the Medicare physician fee schedule to include pricing information for all of the States.

The VA will use the following bill types for A/B MAC (A) equivalent claims: 11x, (Hospital Inpatient, Part A), 12x (Hospital Inpatient, Part B), 13x (Hospital Outpatient), 14x (Hospital Other, Part B), 18x (Hospital Swing Beds), 21x (SNF inpatient), and 23x (SNF outpatient). These claims are submitted using the ASC X12 837 institutional claim format.

The SNF VA provider numbering scheme is as follows:

a 2 digit numeric state code, followed by a "5", followed by a 1 digit one up number, followed by with a "V", ending with a single position alpha numeric.

1.1.2 – Requirements for Processing VA Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Claims

(Rev. 4023, Issued: 04-20-18, Effective: 07- 20-18, Implementation: 07-20- 18)

The process of receiving VA DMEPOS claims for a no-pay Electronic Medicare Remittance Advice (e-MRA) is effective on April 1, 2018. The processing of these claims, as with the Part A and Part B claims, allows for a CMS no-pay e-MRA to be generated for all DMEPOS claims submitted to CMS by the VA. VA DMEPOS claims are processed by a single DME MAC. For VA DMEPOS claims the e-MRA displays the amount that Medicare would have paid for the claim using the same fee schedule payments as DMEPOS Medicare claims would've paid and are based on the beneficiary's state of residence. The same deductible and coinsurance rules applicable to Medicare are applied to the VA claims and are provided on the e-MRA.

The VA submits DMEPOS claims via the ANSI X12 837P electronic format. The VA claims will be processed through the Medicare DME MAC Common Electronic Data Interchange (CEDI) front end system, DMEPOS claims processing system (VMS) and the common working file (CWF). In addition to following the ANSI X12 837P standards for claims submissions the following criteria applies:

- *The VA's submitter of record is the approved biller and submits all VA electronic claims to CEDI.*
- *The VA supplies CMS, the VA DME MAC and CEDI with the VA facility NPI list. Validation of the NPI is done at the CMS front end contractor.*

- *VA claims are processed as mandatory assigned claims, no beneficiary submitted claims will be processed.*
- *VA DMEPOS submitted claims must be for beneficiaries that reside in the US and its territories.*
- *The VA must submit claims for Medicare approved HCPCS provided on the DMEPOS jurisdiction list which can be found at https://www.cms.gov/Center/Provider-Type/Durable-Medical-Equipment-DME-Center.html.*
- *The VA DMEPOS claims are subject to the Medicare timely filing rules. Claims will be accepted for processing with dates of service one year prior to the date of receipt.*
- *The VA will submit paper CMNs for DMEPOS items that require a CMN per Medicare rules. The CMNs will be faxed (until the time VA has the ability to submit CMNs electronically) to the DME MAC. Claims requiring a CMN may be held for up to 2 weeks to allow for receipt of the CMN. Claims will be denied if a CMN is not received within 2 weeks.*

The CWF edits to ensure the same three conditions stated above for A/B claims are applicable and must be present for adjudication on the DMEPOS claims. In addition, MSP claims are accepted from the VA and the CWF will apply MSP editing to VA DMEPOS claims.

Finalized claims will be included in the VA e-MRA and produced in the CMS flat file format. CEDI will translate the VA e-MRA flat file to the ANSI X12 835 format and make the file(s) available for the VA's submitter of record to retrieve.

Adjustments to claims submitted by the VA can be made only for redeterminations or cancels. This applies to all DMEPOS claims submitted by the VA for VA facilities and for independent suppliers.