
CMS Manual System

Pub. 100-19 Demonstrations

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 29

Date: OCTOBER 21, 2005

CHANGE REQUEST 4055

SUBJECT: Notification of New Value and Condition Codes For Medicare Demonstrations

I. SUMMARY OF CHANGES:

This CR notifies Medicare Contractors of “new” condition and value codes that we are asking the NUBC to approve for use in processing Medicare demonstration claims. The business requirements and system changes needed to adjudicate these claims were completed many years ago and, from a standard system or FI perspective these are not 'new' codes. However, at the time these changes were made, the NUBC was not notified and, as a result, never approved use of these codes. Due to unrelated issues, these codes are only now likely to be used. However, without approval by the NUBC, the claims would be returned to providers for using invalid codes.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2006

***IMPLEMENTATION DATE: January 3, 2006**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)

(R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

X	Business Requirements
	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

Attachment – Business Requirements

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SUBJECT: Notification Of New Value And Condition Codes For Medicare Demonstrations

I. GENERAL INFORMATION

A. Background:

Several years ago, programming was completed in the Medicare claims systems to use condition code W0 for adjudicating claims for the United Mineworkers Demonstration. Similarly, programming was done which incorporated the use of value codes Y1 through Y4 for adjudicating claims for the Medicare Centers of Excellence and other global payment demonstrations. Although all of the systems changes were made, these codes did not go through the NUBC approval process. The testing process for these system changes did not, apparently, identify the lack of NUBC approval as a problem since the CMS contractor test environment did not go through some of the same front end edits as real claims. As a result, these codes' lack of approval by the NUBC was not discovered at the time. Due to unrelated factors, these codes have never been used to process claims.

Condition code B1 was approved by the NUBC for use effective October 1, 2001 for the same Medicare global payment demonstration as the Y1 – Y4 value codes. Although it was approved by the NUBC for the demonstration, we believe that this code may only have been approved for a limited duration and could expire in the near future.

Recently, the need to use these codes to pay demonstration claims has re-occurred. The United Mineworker's Demonstration would now like to bypass the 3-day hospital stay edit for skilled nursing facility payments. In addition, it is anticipated that the global payment functionality originally created for the Centers of Excellence demonstration which utilizes the B1 condition code and the Y1-Y4 value codes for inpatient claims may be needed in the future for use in other global payment demonstrations. However, we have recently been informed that CR 3794, effective July 1, 2004, contained updates to the list of NUBC codes, thereby disallowing value codes Y1-Y4 and condition code W0.

B. Policy:

These codes have now been submitted to the NUBC for approval. Upon being approved, they will be included in the next recurring update sent to the fiscal intermediary.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)
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		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4055.1	The fiscal intermediary shall recognize condition codes B1 and W0 when submitted on an inpatient or SNF. a. These codes shall be retained on the claim record sent to the national claims history file.	x				x				
4055.2	Value codes Y1, Y2, Y3, and Y4 will be considered approved NUBC codes and will be used in accordance with previously specified system requirements (AB-01-140) when submitted on an inpatient claim.	x				x				

III. PROVIDER EDUCATION

There are no provider education requirements. These codes will only be used for claims related to a demonstration and ORDI staff will educate demonstration providers on their use.

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

The Transmittals listed below specify the business requirements condition code B1 and value codes Y1-Y4.

X-Ref Requirement #	Instructions
4055.1	1. CR 1525, Transmittal AB-01-97, Issued July 17, 2001
4055.2	2. CR 1752, Transmittal AB-01-149, Issued October 23, 2001
	3. CR 1849, Transmittal AB-01-140, Issued September 27, 2001
	4. CR 1995, Transmittal AB-02-002, Issued January 11, 2002

	5. AB-02-144 issued October 25, 2002
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B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces:

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2006</p> <p>Implementation Date: January 3 , 20056</p> <p>Pre-Implementation Contact(s): Jody Blatt (jody.blatt@cms.hhs.gov) or Jason Petroski (jason.petroski@cms.hhs.gov)</p> <p>Post-Implementation Contact(s): same as above</p>	<p>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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*Unless otherwise specified, the effective date is the date of service.