CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-05 Medicare Secondary Payer	Centers for Medicare & Medicaid Services (CMS)
Transmittal 100	Date: March 26, 2014
	Change Request 8495

Transmittal 98, dated November 22, 2013, is being rescinded and replaced by Transmittal 100, dated March 26, 2014, to update CR 8495 as an analysis CR only. BR 8495.7 has been revised to increase the number of analysis conference calls from four (4) to eight (8) calls. BRs 8495.1 – 8495.7 will be revised as a result of the conference calls and a new implementation CR will be developed for a future release. MCS has been removed from BRs 8495.1 – 8495.2.1. All other information remains the same.

SUBJECT: The Medicare Contractors and the Shared Systems Shall Send the Correct Cost Avoided Indicator and Special Project Type to the Common Working File (CWF) so the Correct Savings is applied both to the Medicare Secondary Payer (MSP) Savings Report and the Originating Contractor

I. SUMMARY OF CHANGES: This change request (CR) instructs the Part B Medicare contractors and designated shared systems to apply the correct MSP cost avoided indicator that pertains to the MSP type for each service line on the incoming claim. This CR also instructs Part A Medicare contractors and designated shared systems to apply the correct MSP cost avoided indicator that pertains to the incoming claim, and apply the savings to the originating contractor of the MSP record. This shall be done under the appropriate special project and MSP type in the CROWD system. CWF shall accept the cost avoided indicator sent by the Medicare Contractors. CWF shall change its logic and remove part of the 6806/6826 MSP edit that does the cost avoid logic. CWF shall apply the cost avoided savings to the appropriate MSP records (as established by the originating contractor).

EFFECTIVE DATE: April 1, 2014 and July 1, 2014 - Analysis
IMPLEMENTATION DATE: April 7, 2014 and July 7, 2014 - Analysis

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	5/60/60.1.3 - Recording Savings

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 obliged 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

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

Attachment - Business Requirements

Pub. 100-05	Transmittal: 100	Date: March 26, 2014	Change Request: 8495

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SUBJECT: The Medicare Contractors and the Shared Systems Shall Send the Correct Cost Avoided Indicator and Special Project Type to the Common Working File (CWF) so the Correct Savings is applied both to the Medicare Secondary Payer (MSP) Savings Report and the Originating Contractor.

EFFECTIVE DATE: April 1, 2014 and July 1, 2014 - Analysis
IMPLEMENTATION DATE: April 7, 2014 and July 7, 2014 - Analysis

I.   GENERAL INFORMATION

A.   Background: The MSP Savings Report is used by Medicare Contractors to report MSP cost avoided claims, full and partial recoveries, and total savings for MSP. Savings data is also reported by Special Project and MSP type such as Workers' Compensation, Working Aged, End Stage Renal Disease, Auto/No-Fault, Disability, Liability and Other Federal Programs. Medicare contractors report MSP savings data in the Contractor Reporting of Operational and Workload Data (CROWD) system.

It was discovered that MSP savings is not always reported under the correct MSP type or the correct special project. The reason is the Part B shared system sends CWF the cost avoided indicator based on the order of the MSP details found on the Secondary Payer (SP) record, which may not be the MSP type found on, or related to, the incoming MSP claim. CWF receives the cost avoided indicator and returns a "corrected" indicator on the CWF response record, at the header field, using the 6806/6826 MSP edit. The Shared system takes the CWF "corrected" indicator and applies the cost avoided savings to the MSP special project designated by CWF.

This change request (CR) instructs the Part B Medicare contractors and designated shared systems to apply the correct MSP cost avoided indicator that pertains to the MSP type for each service line on the incoming claim. This CR also instructs Part A Medicare contractors and designated shared systems to apply the correct MSP cost avoided indicator that pertains to the incoming claim, and apply the savings to the originating contractor of the MSP record. This shall be done under the appropriate special project and MSP type in the CROWD system. CWF shall accept the cost avoided indicator sent by the Medicare Contractors. CWF shall change its logic and remove part of the 6806/6826 MSP edit that does the cost avoid logic. CWF shall apply the cost avoided savings to the appropriate MSP records (as established by the originating contractor).

B.   Policy: The Medicare Contractors and shared systems must report the correct MSP savings amounts as cited in Section 60 of IOM 100-05, Chapter 5 of the MSP manual under the appropriate special project number for MSP savings to be recorded correctly.

II.   BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	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	
8495.1	The Medicare contractors and designated shared systems shall no longer send CWF the cost avoided indicator based on the order of the MSP details found on their internal SP record.	X	X	X	X						X		
8495.2	The Part B and DME Medicare contractors and designated shared systems shall apply the appropriate MSP indicator that pertains to each service line on the incoming claim. This includes applying the MSP savings to the originating contractor of the MSP record under the appropriate special project and MSP type in CROWD at the line level for cost avoided claims, full and partial recoveries, and total savings for prepay and post pay MSP.		X		X						X		
8495.2.1	If there are different MSP lines on the same claim, the service lines shall be counted under each MSP type, by originating contractor, for each service line in CROWD. For example, there are three MSP occurrences on CWF. Occurrence 1 is an open working aged record created by contractor 11101. Occurrence 2 is an open Workers' Compensation Set Aside (WCMSA) record created by contractor 11119. Occurrence 3 is a closed workers' compensation record. A claim is received for two services: one service is for a routine checkup and the second service is for the workers' compensation injury for which the beneficiary has a WCMSA. MSP savings related to the routine physical would be applied to originating contractor 11101, special project 6010, under the working aged column in the savings report. Savings related to the WCMSA would be applied to originating contractor 11119, special project 7019, under the workers' compensation column in the savings report.		X		X						X	X	
8495.3	Part A Medicare contractors and the designated shared system shall apply the correct MSP cost avoided indicator that pertains to the incoming claim, including subsequent adjustments, and apply the savings to the originating contractor under the appropriate special project and MSP type in CROWD as cited in 8495.2.1 above.	X		X										

Number	Requirement	A/B MAC			DME MAC				Shared-System Maintainers				Other
		A	B	HHH	DME MAC				FISS	MCS	VMS	CWF	
8495.4	CWF shall remove part of the 6806/6826 error code that does the cost avoid logic.											X	
8495.4.1	CWF shall determine whether the aforementioned changes impact the Fraud Prevention System and the Beneficiary Data Streamlining.											X	
8495.5	CWF shall review error code 1803 to determine if different cost avoids can be submitted at the individual claim lines sent by the shared systems for Part B claims.											X	
8495.6	CWF shall return the originating contractor number to Medicare contractors with the '03' trailer.											X	
8495.7	Contractors and shared systems shall attend up to 8 analysis conference calls as deemed necessary.	X	X	X	X				X	X	X	X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	A/B MAC			DME MAC				Other
		A	B	HHH	DME MAC				
	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: N/A

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

V. CONTACTS

Pre-Implementation Contact(s): Richard Mazur, 410-786-1418 or Richard.Mazur2@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

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 do 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.

60.1.3 - Recording Savings

(Rev. 100, Issued: 03-26-14, Effective: 04-01-14- Analysis and Design; 07-01-14-CWF, Contractors and Shared Systems, Implementation: 04-07-14, Analysis and Design; 07-01-14-CWF, Contractors and Shared Systems)

The Contractors control all claims from which MSP savings are extracted and verifies all amounts recorded on the Forms CMS-1563 or CMS-1564 when requested.

A. MSP Savings File

The Contractors retain specific key identifying information on each claim counted as savings on the Forms CMS-1563 or CMS-1564. At a minimum, it records the beneficiary's name, HICN, type and dates of service, claim control number, billed charges and savings amounts reported.

B. Savings Data From Non-Medicare Sources

If savings are recorded from data obtained from the contractor's "corporate side" records or any other "outside" source, the Contractors extract the same claims specific information noted above, i.e., verifies that Medicare covered services are involved and that it is able to calculate "what Medicare would have paid." In addition, contractors must compare this data with the data contained in the MSP savings file to ensure that savings have not previously been recorded for the same claims. If savings have not previously been taken for the claim, the Contractors count them as savings on the Forms CMS-1563 or CMS-1564 and enters them into the contractor MSP savings file.

C. Total Savings for Special Projects

All Contractors shall total each respective Special Project Savings and place these totals under their respective special project columns in the Special Project Savings Total in the CROWD Savings Report. *Part A Medicare contractors and the designated shared system shall apply the correct MSP cost avoided indicator that pertains to the incoming claim, including subsequent adjustments, and apply the savings to the originating contractor under the appropriate special project and MSP type in CROWD. The Part B and DME Medicare contractors and designated shared systems shall apply the appropriate MSP indicator that pertains to each service line on the incoming claim. This includes applying the MSP savings to the originating contractor of the MSP record under the appropriate special project and MSP type in CROWD at the line level for cost avoided claims, full and partial recoveries, and total savings for prepay and post pay MSP. If there are different MSP lines on the same claim, the service lines shall be counted under each MSP type, by originating contractor, for each service line in CROWD. For example, there are three MSP occurrences on CWF. Occurrence 1 is an open working aged record created by contractor 11101. Occurrence 2 is an open Workers' Compensation Set Aside (WCMSA) record created by contractor 11119. Occurrence 3 is a closed workers' compensation record. A claim is received for two services: one service is for a routine checkup and the second service is for the workers' compensation injury for which the beneficiary has a WCMSA. MSP savings related to the routine physical would be applied to originating contractor 11101, special project 6010, under the working aged column in the savings report. Savings related to the WCMSA would be applied to originating contractor 11119, special project 7019, under the*

workers' compensation column in the savings report.