

# CMS Manual System

## Pub 100-08 Medicare Program Integrity

Transmittal 148

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: MAY 26, 2006

Change Request 5063

**SUBJECT: Medicare Claims System (MCS) Changes to Accept Opt Out Actions From the PECOS Daily Extract File**

**I. SUMMARY OF CHANGES:** PECOS Release 4.2 will implement coding changes within PECOS to systematically differentiate between voluntary withdrawals from the Medicare program and Opt Out actions by providers/suppliers. The MCS must make corresponding coding changes to be able to accept these codes from the daily PECOS extract.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE : October 2, 2006**

**IMPLEMENTATION DATE : October 2, 2006**

*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/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

**III. FUNDING:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

**IV. ATTACHMENTS:**

One-Time Notification

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

# Attachment – One-Time Notification

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**SUBJECT: Medicare Claims System (MCS) Changes to Accept Opt Out Actions From the PECOS Daily Extract File**

## I. GENERAL INFORMATION

**A. Background:** Currently the Provider Enrollment Chain and Ownership System (PECOS) does not differentiate between providers/suppliers who have voluntarily withdrawn from the Medicare program and providers/suppliers who have Opted-Out of the program. Without manual intervention from the contractor provider enrollment staff, both actions are forwarded to the Medicare Claims System (MCS) from PECOS as voluntary withdrawal. This creates a concern that required Opt Out reports may not be accurate. PECOS coding will be changed with Release 4.1 to systematically differentiate between the two statuses and will assign an enrollment status code of 20 for Opt Out actions. The MCS will need to make corresponding coding changes to be able to receive this new enrollment status code.

**B. Policy:** Collection and retention of CMS 855 enrollment data has been cleared through a Paperwork Reduction Act Notice in the **Federal Register**. The authority for the various types of data to be collected is found in multiple sections of the Social Security Act and Code of Federal Regulations. Specifically in Sections 1816, 1819, 1833, 1834, 1842, 1861, 1866 and 1891 of the Act and 42 CFR Subchapter E.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R 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			
5063.1	The MCS shall conduct all necessary analysis to identify the coding changes which will be required within that system to accept the new enrollment status code of 20 for Opt Out actions.			X			X			PECOS
5063.2	The MCS system shall implement all necessary coding changes to enable the system to accept, from the daily PECOS extract file, the new enrollment status code of 20 for Opt Out actions.			X			X			PECOS

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R 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	
5063.3	MCS shall continue to assign the action reason code of 31 for the enrollment status of voluntary withdrawal received from PECOS.						X			PECOS
5063.4	MCS shall assign the action reason code of 06 for the enrollment status of opt out received from PECOS.						X			PECOS
5063.5	The MCS shall conduct all necessary testing to ensure accurate implementation.			X			X			PECOS
5063.6	Each MCS data center shall be able to accept the above separate ARCs effective October 2, 2006.			X			X			PECOS

### III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R 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	
	None.									

### IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

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**B. Design Considerations: N/A**

<b>X-Ref Requirement #</b>	<b>Recommendation for Medicare System Requirements</b>

**C. Interfaces: N/A**

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

**E. Dependencies: N/A**

**F. Testing Considerations:**

- Testing should validate that voluntary withdrawal and opt out actions process from PECOS through claims.

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> October 2, 2006</p> <p><b>Implementation Date:</b> October 2, 2006</p> <p><b>Pre-Implementation Contact(s):</b> Alisha Banks (410) 786-0671 <a href="mailto:Alisha.Banks@cms.hhs.gov">Alisha.Banks@cms.hhs.gov</a></p> <p><b>Post-Implementation Contact(s):</b> Alisha Banks (410) 786-0671 <a href="mailto:Alisha.Banks@cms.hhs.gov">Alisha.Banks@cms.hhs.gov</a></p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</b></p>
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