

CMS Manual System

Pub 100-20 One-Time Notification Transmittal Sheet

Transmittal 158

Department of Health &
Human Services

Center for Medicare and &
Medicaid Services

Date: JUNE 17, 2005

Change Request 3799

SUBJECT: Instructions for Fiscal Intermediaries (FIs) to Process Payment Adjustments Resulting from Data Assessment and Verification (DAVE) Program Safeguard Contractor (PSC) Medical Review

I. SUMMARY OF CHANGES: This transmittal communicates the instructions for FIs to process payment adjustments identified by the DAVE PSC.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : July 18, 2005

IMPLEMENTATION DATE : July 18, 2005

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

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

R/N/D	Chapter / Section / SubSection / Title
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III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 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: Instructions for Fiscal Intermediaries (FIs) to Process Payment Adjustments Resulting From Data Assessment and Verification (DAVE) Program Safeguard Contractor (PSC) Medical Review

I. GENERAL INFORMATION

A. Background: CMS developed the DAVE PSC task order to assess the accuracy and reliability of Minimum Data Set (MDS). The DAVE contractor conducted offsite postpay medical record review to evaluate MDS accuracy and medical necessity of services provided in the skilled nursing facilities. In some cases, the DAVE reviews identified incorrect Medicare payment for beneficiaries who received services in skilled nursing facilities.

B. Policy: The Medicare Program Integrity Manual, Publication 100-08, Sections 3.6.7 and 3.8 require Program Safeguard Contractors to refer identified overpayments to the affiliated contractors (FIs for this instruction) for recoupment. The Medicare Claims Processing Manual, Publication 100-04, Section 3.50 contains instructions for payment adjustment procedures.

The DAVE contractor will send notification of claims requiring adjustments and a copy of the associated medical records to the appropriate FI for processing. The claims adjustment report package consists of: the DAVE Claims Adjustment Report (CAR) which identifies the claims to be adjusted; a diskette containing an electronic copy of the DAVE FI Feedback Tool which FIs shall use to provide payment adjustment information to CMS; and the DAVE CAR and FI Feedback Tool Reference Document. Microsoft Excel 2000 or higher is required to read the DAVE FI Feedback Tool spreadsheet. FIs shall retain the copies of the medical records in the event that a provider appeals a claim that was adjusted as result of a DAVE review.

The FI shall take appropriate payment adjustment actions; enter the payment adjustment information into the FI portion of the Feedback Tool according to instructions in the DAVE CAR and FI Feedback Tool Reference Document; and return the DAVE feedback tool via mail to CMS within 60 calendar days from date of receipt. FIs shall mail the diskette to:

Jill Nicolaisen
Mail Stop C3-02-16
7500 Security Boulevard
Baltimore, Maryland 21244

Processing Overpayment and Underpayments Resulting from the Dave Findings

FIs shall undertake appropriate collection (or payment) actions. The FI shall list the adjustment indicator as 'HCFA.' FIs shall fill in the bill type ("xxH") such that the first and second positions describe the bill type and the third position is H. The FI shall maintain a tracking system to be able to identify payment adjustments that resulted from DAVE reviews in the event of an appeal.

FIs shall allocate costs and workloads associated with issuing DAVE initiated over/underpayments as they do all other over/underpayments.

Processing Appeals Resulting from DAVE Initiated Denials

The FIs shall process appeals stemming from the DAVE-initiated payment adjustments according to existing appeals policies and procedures.

As with all appeals, FIs shall consider results of the DAVE appeals data in managing their medical review activities.

FIs shall allocate the costs and workloads associated with processing appeals of DAVE initiated denials as they do all other appeals.

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	
3799.1	FIs shall follow payment adjustment procedures described in the PIM, chapter 3, and Pub. 100-04	X								
3799.2	FIs shall take appropriate payment adjustment actions for the claims identified on the Claims Adjustment Report	X								
3799.3	FIs shall enter the payment adjustment information into the FI portion of the feedback tool	X								
3799.4	FIs shall return the feedback tool to CMS within 60 calendar days from date of receipt	X								

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			
F I S S	M C S					V M S	C W F		
3799.5	FIs shall fill in the bill type ("xxH") such that the first and second positions describe the bill type and the third position is H	X							
3799.6	FIs shall retain copies of the medical records provided by the DAVE contractor in the event that a provider appeals a claim that was adjusted as result of a DAVE review	X							
3799.7	FIs shall maintain a tracking system to be able to identify payment adjustments that resulted from DAVE reviews in the event of an appeal	X							
3799.8	FIs shall process appeals stemming from the DAVE-initiated payment adjustments according to existing appeals policies and procedures	X							
3799.9	FIs shall consider results of the DAVE appeals data in managing their medical review activities	X							
3799.10	FIs shall allocate the costs and workloads associated with processing appeals of DAVE initiated denials as they do all other appeals	X							

III. PROVIDER EDUCATION

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			
F I S S	M C S					V M S	C W F		

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

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

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*: July 18, 2005</p> <p>Implementation Date: July 18, 2005</p> <p>Pre-Implementation Contact(s): Jill Nicolaisen 410-786-5873</p> <p>Post-Implementation Contact(s): Jill Nicolaisen 410-786-5873</p>	<p>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</p>
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Attachments:

DAVE Claims Adjustment Report

DAVE FI Feedback Tool

To download the Filename R158OTN2.zip associated with this instruction, click [here](#).

To download the Filename R158OTN3.zip associated with this instruction, click [here](#).