

CMS Manual System

Pub 100-20 One-Time Notification

Transmittal 186

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

Date: OCTOBER 28,
2005

Change Request 4133

SUBJECT: Coverage by Medicare Advantage (MA) Plans for Implantable Automatic Cardiac Defibrillator (ICD) Services Not Previously Included in MA Capitation Rates

I. SUMMARY OF CHANGES: This CR instructs Medicare contractors to make appropriate changes to no longer pay fee-for-service for the expanded coverage of ICD services rendered to risk MA beneficiaries. This change will be effective for services performed on or after January 1, 2006.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 01, 2006

IMPLEMENTATION DATE: January 03, 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 = 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 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: Coverage by Medicare Advantage (MA) Plans for Implantable Automatic Cardiac Defibrillator (ICD) Services Not Previously Included in MA Capitation Rates

I. GENERAL INFORMATION

A. Background: Medicare expanded implantable ICD services coverage for clinical indications outlined in Change Request (CR) 3604, effective for dates of service on or after January 27, 2005. At that time, payment for ICD services under the expanded indications were not part of the capitation rates and were, therefore, paid fee-for-service (FFS) by Medicare, except beneficiaries were not responsible for the Part A or Part B deductibles (i.e., assume the Part A or Part B deductible has been met). The MA enrollees are liable for the coinsurance amounts applicable to services paid under Medicare FFS rules.

Indications and limitation of coverage for ICD services is located in The Medicare National Coverage Determinations Manual, Pub. 100-03, Chapter 1, Part 1, §20.4.

B. Policy: Effective for dates of service on or after January 1, 2006, MA rates have been appropriately adjusted to account for the expanded coverage of ICD services (outlined in CR 3604), and MA plans are liable for payment relating directly to the provision of the ICD services. The MA plans must furnish, arrange, and/or make appropriate payment for these services. In addition, MA enrollees are liable for the MA plan’s cost sharing of these services.

This CR instructs Medicare contractors and Medicare shared system maintainers to make appropriate changes to no longer pay FFS for the expanded coverage of ICD services rendered to MA beneficiaries. This change will be effective for services performed on and after January 1, 2006.

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 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	

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	
4133.1	<p>Contractors shall revise the front-end diagnosis edit (established in CR 3604, requirement #3) to not apply to claims with dates of service January 1, 2006, or greater.</p> <p><u>Requirement 3604.3 stated the following:</u></p> <p>Contractors shall deny services related to implantable defibrillators for beneficiaries in an MA plan to include claims that meet the following criteria:</p> <ul style="list-style-type: none"> • Contains condition code 78 or modifier KZ (or upon notification from CWF that the beneficiary is under an MA plan) • One of the following procedure codes: <ul style="list-style-type: none"> • HCPCS codes G0297 – G0300; • ICD-9CM 37.94; or • CPT code 33249. • The claim includes any of the following ICD-9 CM diagnosis codes: <ul style="list-style-type: none"> • 427.1 ventricular tachycardia; • 427.41 ventricular fibrillation; • 427.42 ventricular flutter; • 427.5 cardiac arrest; or • 427.9 cardiac dysrhythmia, unspec. 	X		X		X	X	X		

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	
4133.3	<p>CWF shall modify the MA Informational Unsolicited Response process to generate a response when outpatient claims processed by FIs meet all of the following conditions:</p> <ul style="list-style-type: none"> • Beneficiary is in a risk MA plan; <u>and</u> • Claim was previously approved for payment; <u>and</u> • Date(s) of service is January 1, 2006, or greater; <u>and</u> • Condition code 78; <u>and</u> • One of the following HCPCS codes: G0297, G0298, G0299, or G0300. 								X	
4133.3.1	<p>CWF shall modify the MA Informational Unsolicited Response process to generate a response when hospital inpatient claims meet all of the following conditions:</p> <ul style="list-style-type: none"> • Beneficiary is in a risk MA plan; <u>and</u> • Claim was previously approved for payment; <u>and</u> • Discharge date of January 1, 2006, or greater; <u>and</u> • Condition code 78; <u>and</u> • ICD-9 CM 37.94. 								X	

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	
4133.3.2	<p>CWF shall modify the MA Informational Unsolicited Response process to generate a response when professional claims meet all of the following conditions:</p> <ul style="list-style-type: none"> Beneficiary is in a risk MA plan; <u>and</u> Claim was previously approved for payment; <u>and</u> Date(s) of service of January 1, 2006, or greater; <u>and</u> Modifier KZ; <u>and</u> CPT code 33249. 								X	
4133.4	Contractors shall deny claims rejected by CWF per business requirements 4133.2, 4133.2.1 and 4133.2.2.	X		X		X	X	X		
4133.5	Contractors shall respond to MA Informational Unsolicited Responses; generated by business requirements 4133.3, 4133.3.1 and 4133.3.2; according to routine procedures.	X		X		X	X	X		
4133.6	Contractors shall use Medicare Summary Notice (MSN) 11.3 (Our records show that you are enrolled in a health maintenance organization. Your provider must bill this service to them.) when denying these claims.	X		X		X	X	X		
4133.7	Contractors shall use claim adjustment reason code 24 (Payment for charges adjusted. Charges are covered under a capitation agreement/managed care plan) when denying these claims.	X		X		X	X	X		

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	
4133.8	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X						

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*: January 1, 2006</p> <p>Implementation Date: January 2, 2006</p> <p>Pre-Implementation Contact(s): Coverage: JoAnna Baldwin at joanna.baldwin@cms.hhs.gov Part A: Joe Bryson at joseph.bryson@cms.hhs.gov Part B: Claudette Sikora at claudette.sikora@cms.hhs.gov MA Plan: Lavern Ware at lavern.ware@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional Office</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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