

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1893	Date: January 15, 2010
	Change Request 6764

Subject: Paying Claims Without Common Working File (CWF) Approval

I. SUMMARY OF CHANGES: This Change Request updates guidance to Fiscal Intermediaries (FIs), Carriers, Part A and Part B Medicare Administrative Contractors (A/B MACs) and Durable Medical Equipment (DME) MACs instructing all contractors to request permission from CMS Project Officers or Contract Managers, as applicable, to pay claims without CWF approval. Contractors are to cease submitting monthly reports of such payments to the CMS/Office of Information Services. Rather, contractors shall continue to submit monthly reports of payments made without CWF approval to their respective Project Officers and Contract Managers. This Change Request also identifies the claim related information contractors must provide to their Project Officers/Contract Managers when seeking permission from CMS to pay claims without CWF approval.

EFFECTIVE DATE: April 1, 2010

IMPLEMENTATION DATE: April 1, 2010

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	27/Table of Contents
R	27/60/Paying Claims Without CWF Approval
R	27/60.1/Requesting to Pay Claims Without CWF Approval
R	27/60.2/Procedures for Paying Claims Without CWF Approval
N	27/60.3/Contractor Monthly Reports of Claims Paid Without CWF Approval

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

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

SECTION B: 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 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.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 1893	Date: January 15, 2010	Change Request: 6764
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SUBJECT: Paying Claims Without Common Working File (CWF) Approval

Effective Date: April 1, 2010

Implementation Date: April 1, 2010

I. GENERAL INFORMATION

The Centers for Medicare & Medicaid Services (CMS) provides policy, process, and procedural instructions to contractors on paying claims without CWF approval in the Internet Only Manual (IOM) Publication 100-4, Chapter 27, Section 60. This Change Request (CR) is a follow up to clarifying instructions furnished in JSM/TDL 09356 issued July 10, 2009, JSM/TDL 09282 issued May 18, 2009 and JSM/TDL 09180 issued February 24, 2009 regarding the paying of claims without CWF approval. This CR revises the IOM instructions referenced above, updating the procedures to be used by contractors in requesting approval from CMS to pay claims without CWF approval and in submitting monthly reports to CMS of Medicare payments made outside the CWF/CWF system.

A. Background:

The CWF approves each claim before it is paid. However, contractors may encounter special circumstances that make it necessary to pay claims without CWF approval. In such circumstances, contractors shall request and obtain approval from CMS to make payment outside the CWF/CWF system. This Change Request updates CMS instructions, furnished in IOM Publication 100-4, Chapter 27, Section 60 to Fiscal Intermediaries (FIs), Carriers, Part A and Part B Medicare Administrative Contractors (A/B MACs) and Durable Medical Equipment (DME) MACs, on requesting approval from CMS to make payments without CWF approval. This CR also revises CMS's instructions to contractors on the content and submission of monthly reports to CMS of payments made without CWF approval.

B. Policy:

For those special circumstances that require contractors to seek approval from CMS to pay claims outside the CWF/CWF system, contractors shall request approval from their respective CMS Contract Manager or CMS Contracting Officer Technical Representative (COTR) (or their designee) to make payment without CWF approval. Contractors shall submit written requests to make payment without CWF approval to their CMS Contract Manager/COTR. These requests shall furnish the data elements specified in Section 60.2, Procedures for Paying Claims Without CWF Approval, as revised. Contractors shall not make payment outside the CWF/CWF system without CMS approval.

Contractors shall submit monthly reports of payments made without CWF approval to their CMS Contract Manager or CMS COTR (or their designee) that will provide the data elements specified in Section 60.3. Contractor Monthly Reports of Claims Paid Without CWF Approval as revised. Monthly reports shall be submitted to CMS by the 20th day of the following month. Contractors shall cease submitting monthly reports of payments made without CWF approval to the CMS/Office of Information Services.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility									
		A / B M A C	D M M A C	F I E R	C A R I E R	R H I S S	Shared-System Maintainers				Other
							F I S S	M C S	V M S	C W F	
6764.1	Contractors shall obtain written approval from their CMS Contract Manager or CMS Contracting Officer Technical Representative (COTR) (or their designee) prior to making payments without CWF approval.	X	X	X	X	X					
6764.2	Contractors shall submit a written request, via E-mail or Facsimile Transmission, to their CMS Contract Manager or CMS COTR (or their designee) for permission to make payment outside the CWF/CWF system.	X	X	X	X	X					
6764.2.1	Contractors shall encrypt requests to make payment without CWF approval sent through the internet to ensure the protection of Personal Health Information (PHI) and Provider Identification Information (PII).	X	X	X	X	X					
6764.2.2	Contractors shall furnish the following data in their written requests for permission to make payment without CWF approval: Contractor's Internal Claim Control Number, Beneficiary Health Insurance Claim Number (HICN), Beneficiary Name, Provider NPI Number, From and To Date of Service, Procedure Code(s), Total Charges, Amount to be Paid, CWF Error Code/Condition Preventing Payment including Error Code Definition, and Rationale for Paying the Claim Outside the CWF/CWF System.	X	X	X	X	X					
6764.3	Contractors shall submit monthly reports of claims paid outside the CWF/CWF System, by the 20 th day of the following month, to their CMS Contract Manager or CMS COTR (or their designee).	X	X	X	X	X					
6764.3.1	Contractors shall encrypt reports of payments made without CWF approval submitted via the internet to ensure the protection of Personal Health Information (PHI) and Provider Identification Information (PII).	X	X	X	X	X					
6764.3.2	Contractors shall furnish the following data in their monthly reports of claims paid without CWF approval: Beneficiary Health Insurance Claim Number (HICN), Beneficiary Name, Provider NPI Number, From and To Date of Service, Total Charges, Amount Paid, Paid Date, and CWF Error Code/Condition Preventing Payment.	X	X	X	X	X					
6764.4	Contractors shall cease submission of monthly reports of claims paid without CWF approval to the CMS/Office of Information Services.	X	X	X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R I E R	R H H I	Shared-System Maintainers				Other
							F I S S	M C S	V M S	C W F	
	N/A										

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

Section B: All other recommendations and supporting information:

V. CONTACTS

Pre-Implementation Contact(s): Suzanne Johnson (312) 353-8865

Post-Implementation Contact(s): CMS Contract Manager/COTR, or designee.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:

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

Section B: 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 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.

Medicare Claims Processing Manual

Chapter 27 - Contractor Instructions for CWF

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[60.3 - Contractor Monthly Reports of Claims Paid Without CWF Approval](#)

60 - Paying Claims Without CWF Approval

(Rev. 1893, Issued: 01-15-10, Effective: 04-01-10, Implementation: 04-01-10)

The CWF approves each claim before it is paid. *However*, there may be special circumstances when it is necessary to pay claims outside the CWF/CWF system. The CMS will notify the contractor of these instances. They include, *but may not be limited to*:

- New coverage policies are enacted by Congress with effective dates that preclude making the necessary changes to CWF timely; and,
- Errors are discovered in CWF that cannot be corrected timely. Carriers, FIs, *DME MACs and A/B MACs* are responsible for reporting CWF problems to their host sites.

60.1 - Requesting to Pay Claims Without CWF Approval

(Rev. 1893, Issued: 01-15-10, Effective: 04-01-10, Implementation: 04-01-10)

Contractors may also request approval from CMS in specific situations to pay claims without CWF approval. Examples of such situations are:

- Other contractors cannot complete action to remove an impediment that blocks a contractor from processing of a claim; and/or
- A systems error cannot be corrected timely, and the provider's cash flow will be seriously endangered.
- Administrative Law Judge (ALJ) decisions, court decisions, and CMS instructions in particular cases may necessitate that payment be made outside the normal CWF process.

Contractors shall obtain approval from CMS to pay a claim without CWF approval prior to processing that claim outside the CWF/CWF system. FIs and Carriers shall submit a written request to their CMS Contract Manager for approval to make payment without CWF approval. DME MACs and A/B MACs shall submit a written request to their CMS Contracting Officer Technical Representative (COTR), or their designee, for approval to make payment outside the CWF/CWF system. Such requests shall be submitted by facsimile transmission or via the internet. To ensure the protection of the Personal Health Information (PHI) and Personally Identifiable Information (PII) contained in contractor requests to pay claims without CWF approval, contractors shall encrypt their E-mail submitted requests.

Contractors shall provide the following information to their CMS Contract Manager/COTR, as applicable, when requesting to pay a claim without CWF approval:

- a) Contractor's Internal Claim Control Number,*

- b) *Beneficiary Health Insurance Claim Number (HICN),*
- c) *Beneficiary Name,*
- d) *Provider Number (National Provider Identification (NPI) Number),*
- e) *From and To Date of Service,*
- f) *Procedure Code(s),*
- g) *Total Charges,*
- h) *Amount to be Paid,*
- i) *CMF Error Code/Condition Preventing Payment (including error code definition), and*
- j) *Rationale for Paying the Claim Outside the CMF/CMF System.*

60.2 - Procedures for Paying Claims Without CMF Approval

(Rev. 1893, Issued: 01-15-10, Effective: 04-01-10, Implementation: 04-01-10)

Before a claim can be paid outside *the* CMF/CMF system, contractors shall obtain approval from *their CMS Contract Manager or CMS COTR, or their designee*. In all instances involving payment outside *the* CMF/CMF system, contractors shall apply the following procedures:

- FIs *and A/B MACs shall* submit the claims with an "X" in the tape-to-tape flag, and the system will determine payment as if the payment were final. Inpatient PPS payments *shall be processed* through MCE, Grouper and Pricer. Hospice payments *shall be made* using the appropriate hospice rate. ESRD visits *shall be paid* using the composite rate. *The* appropriate fee schedules or interim rates *shall be used*. Deductible and coinsurance *shall be applied* based on the most current data available. Do not apply the 70 percent reduction applicable to accelerated payment.
- Carriers, *DME MACs and A/B MACs shall* follow shared system procedures to avoid sending a claim to the CMF at time of payment, but *shall also* maintain a record for later submission.
- *Contractors shall* pay interest accrued through the date payment is made on clean claims. Do not pay any additional interest.
- *Contractors shall* maintain a record of payment and implement controls to be sure that duplicate payment is not made (i.e., when the claim record is updated to CMF or in response to a duplicate request by the provider).

- *Contractors shall monitor the* CWF to determine when the impediment to CWF processing is removed. *Contractors shall* update the CWF when the impediment is removed so that the actual payment date outside the CWF is shown in the scheduled payment data field.
- *Contractors shall* consider the claim processed for workload and expenditure reports when it is paid.

60.3 – Contractor Monthly Reports of Claims Paid Without CWF Approval

(Rev. 1893, Issued: 01-15-10, Effective: 04-01-10, Implementation: 04-01-10)

FIs and Carriers shall submit, by the 20th day of the following month, a monthly report of all claims paid without CWF approval to their CMS Contract Manager. DME MACs and A/B MACs shall submit, by the 20th day of the following month, a monthly report of all claims paid without CWF approval to their COTR, or to their designee. Contractors shall encrypt reports submitted via the internet to ensure the protection of the Personal Health Information (PHI) and Personally Identifiable Information (PII) contained in these reports.

The monthly reports of claims paid outside the CWF/ CWF system shall include summary data for each edit code showing claim volume and payment. The reports shall also identify the claims and summary edit code volume and payment data as to whether it is a Part A or Part B Service. The monthly reports shall provide the data listed below for each claim paid without CWF approval for that reporting month:

- a) Beneficiary HICN,*
- b) Beneficiary Name,*
- c) Provider Number (National Provider Identification Number (NPI),*
- d) From and to Date of Service,*
- e) Total Charges,*
- f) Amount Paid,*
- g) Paid Date, and*
- h) CWF Error Code/Condition Preventing Payment.*