CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 238	Date: February 1, 2008
	Change Request 5920

SUBJECT: Correction of the Medicare Contractor System (MCS) Downcoding Problem in Program Integrity Management Reporting (PIMR) System.

I. SUMMARY OF CHANGES: The CMS has developed a system for the management of cost, savings, and workload data relative to the medical review (MR) unit. Mainly, PIMR data relates to how contractors resolve billing problems. CMS obtains PIMR information through interfaces with the shared systems. Those interfaces are operated through contractor data centers, i.e., Enterprise Data Center (EDC) or a local data center, transferring data directly from contractor shared system implementation to the central office computer within 15 calendar days following the end of each month.

A component of the MCS system that supports PIMR is the prepayment module. Currently that module does not give credit for contractor"s downcoding the billed services on a line. This problem results in under reporting of MR savings in the PIMR system. This CR requires that the MCS system correct that problem.

NEW / REVISED MATERIAL
EFFECTIVE DATE: JULY 1, 2008
IMPLEMENTATION DATE: JULY 7, 2008

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

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

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:

One-Time Notification

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

Attachment – One Time Notification

Pub. 100-08	Transmittal: 238	Date: February 1, 2008	Change Request: 5920

SUBJECT: Correction of the Medicare Contractor System (MCS) Downcoding Problem in Program Integrity Management Reporting (PIMR) System.

Effective Date: July 1, 2008
Implementation Date: July 7, 2008

I.   GENERAL INFORMATION

A. Background: The CMS has developed a system for the management of cost, savings, and workload data relative to the medical review (MR) unit. Mainly, PIMR data relates to how contractors resolve billing problems. CMS obtains PIMR information through interfaces with the shared systems. Those interfaces are operated through contractor data centers, i.e., Enterprise Data Center (EDC) or a local data center, transferring data directly from contractor shared system implementation to the central office computer within 15 calendar days following the end of each month.

A component of the MCS system that supports PIMR is the prepayment module. Currently that module does not give credit for contractor downcoding the billed services on a line.   This problem results in under reporting of MR savings in the PIMR system. This CR requires that the MCS system correct that problem.

B. Policy: The PIMR system reporting requirements for MR are in Chapter 7 (MR and BI Reports), Sections 1, 5, and 6-10. They require that Medicare contractors that process Part B Medicare claims report savings and workload through the PIMR system monthly.

II.   BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B MAC	D M E MAC	F I	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OT
								F I S S	M C S	V M S	C W F	
5920.1	The MCS maintainer shall revise the MCS system to report contractor savings that result from the contractor's downcoding the Health Care Procedure Code System (HCPCS) code when MR								X			

Number	Requirement	A / B MAC	D M E MAC	F I	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OT
								F I S S	M C S	V M S	C W F	
	justifies the downcode.											
5920.1.1	The MCS maintainer shall revise the PIMR CAFM II report to include savings from contractor's downcoding the Health Care Procedure Code System (HCPCS) code when MR justifies the downcode.								X			
5920.2	Data centers, i.e., EDC or local data center, operating the MCS shared system shall install the revised shared system module developed in requirement 5920.1 begins to operate in time that PIMR reports for all claims processed after the implementation date of this CR reflect savings resulting from downcoding that results from MR.	X			X							Con ract Cen and
5920.3	Contactors shall test the report once delivered to insure that MCS modifications to meet requirement 5920.1 result in the contractors receiving credit for downcoding line items as part of MR.	X			X							

III.   PROVIDER EDUCATION TABLE

Number	Requirement	A/ B MAC	D M E MAC	F I	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OT
								F I S S	M C S	V M S	C W F	
	None											

IV.   SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below: N/A

X-Ref Requirement Number	Recommendations or other supporting information:

B. For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

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Post-Implementation Contact(s): John Stewart (410) 786-1189
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VI. FUNDING

A. *For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC)*

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

B. *For Medicare Administrative Contractors (MAC)*, use the following statement:

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 Statement of Work (SOW). 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.