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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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

Transmittal 353

Date: NOVEMBER 3, 2004

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CHANGE REQUEST 3261

***NOTE: Transmittal 345, dated October 29, 2004 is rescinded and replaced with Transmittal 353, dated November 3, 2004.***

### I. SUMMARY OF CHANGES: DMERC – Modification to CR 2631 for DMERCs Only

Added information for DMERCs to look at loops 2420C or 2310D for place of service information. DMERCs shall not look at loop 2010AA for place of service information.

**NEW/REVISED MATERIAL - EFFECTIVE DATE: April 1, 2005**

**\*IMPLEMENTATION DATE: April 4, 2005**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.) (R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	1/ 10.1.1.1/ Claims Processing Instructions for Payment Jurisdiction for Claims Received on or after April 1, 2004-DMERC only.

### \*III. FUNDING:

These instructions shall be implemented within your current operating budget.

### IV. ATTACHMENTS:

x	Business Requirements
x	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

\*Medicare contractors only

# Attachment - Business Requirements

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***NOTE: Transmittal 345, dated October 29, 2004 is rescinded and replaced with Transmittal 353, dated November 3, 2004.***

**SUBJECT: DMERC - Revision to CR 2631 Requirements for DMERC claims**

## I. GENERAL INFORMATION

### A. Background:

Change Request 2631, Transmittal 1813, dated August 1, 2003, implemented certain procedures for electronic claims when the POS is other than the beneficiary's home. That instruction, codified at §3100.2A of the MCM, required that the name, address, and zip code of the location where the service was performed be provided on all claims received on or after 4/1/04. That instruction also specified that loops 2420C, 2310D, and 2010AA be referenced to determine the place of service (POS). However, the 2010AA loop, which specifies the Billing or Pay To Provider's location, is not likely to be where the service was actually rendered for DMEPOS.

### B. Policy:

This instruction requires that the 2010AA loop not be referenced to determine the POS for an electronic claim submitted to a DMERC. The VMS system will only use the 2420C and 2310D loops to make appropriate POS determinations.

OCR and Keyshop claims submitted in the ANSI 837 format must utilize the 2310D loop to report the POS information from block 32 because line level facility information is not readily available on the 1500 form.

**C. Provider Education:** A provider education article related to this instruction will be available at [www.cms.hhs.gov/medlearn/matters](http://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 website and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

<b>Requirement #</b>	<b>Requirements</b>	<b>Responsibility</b>
3261.1	The SSM shall not evaluate the 2010AA loop for a valid place of service.	VMS-DMERC
3261.2	The SSM shall use only the 2420C or 2310D loops (on version 4010/4010A of the ASC X12N 837 electronic claim format) to make the appropriate POS determination if the POS is not 12-Home or CMS equivalent of home (POS 4-Homeless Shelter, POS 13-Assisted Living Facility, and POS 14-Group Home). The required information for these loops is not changed by this instruction.	VMS-DMERC
3261.3	The SSM shall provide edits that require POS information be present either at the claim or line level when the place of service is not POS 12-Home or CMS equivalent of home. Otherwise, the claim shall be returned as unprocessable using the appropriate remark codes specified in CR2631 (IOM Chapter 1, Section 10).	VMS-DMERC
3261.4	The SSM shall provide edits to deny the claim when POS information at the claim or line level is not home or the CMS equivalent of home.	VMS-DMERC
3261.5	The SSM shall allow the 837 OCR claims to be subject to claim-level editing related to the Box 32 Facility Name/Address, and not subject OCR to a new VMS line edits.	VMS-DMERC
3261.6	This instruction is based on date of claim receipt.	VMS-DMERC

### **III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

#### **A. Other Instructions: N/A**

<b>X-Ref Requirement #</b>	<b>Instructions</b>

#### **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:** N/A

**IV. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date:</b> April 1, 2005</p> <p><b>Implementation Date:</b> April 4, 2005</p> <p><b>Pre-Implementation Contact(s):</b> Joanne Spalding 410-786-3352</p> <p><b>Post-Implementation Contact(s):</b> Appropriate RO/DMERC Project Officer.</p>	<p><b>These instructions should be implemented within your current budget.</b></p>
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### ***10.1.1.1 - Claims Processing Instructions for Payment Jurisdiction for Claims Received on or after April 1, 2004***

***(Rev. 353, Issued: 11-03-04, Effective: 01-01-05, Implementation: 01-03-05)***

Provided below are separate instructions for processing electronic claims using the ANSI X12N 837 format and paper claims. No changes will be required in either submission or processing for claims for services subject to jurisdictional pricing for services paid under the Medicare physician fee schedule and anesthesia services submitted on the National Standard Format. See [§30.2.9](#) and Chapter 12 for additional information on purchased tests.

#### **A - ANSI X12N 837 Electronic Claims**

Please note that the following instructions do not apply to services rendered at POS home -12. For services rendered at POS home -12, use the address on the beneficiary file (or wherever else the beneficiary information is currently being stored) to determine pricing locality. (See [§10.1.1](#).)

Per the implementation guide of the 4010/4010A1 version of the ANSI X12N 837, it is acceptable for claims to contain the code for POS home and any number of additional POS codes. If different POS codes are used for services on the claim, a corresponding service facility location and address must be entered for each service at the line level, if that location is different from the billing provider, pay-to-provider, or claim level service facility location. Pay the service based on the ZIP code of the service facility location, billing provider address, or pay-to provider address depending upon which information is provided.

Refer to the current implementation guide of the ANSI X12N 837 to determine how information concerning where a service was rendered, the service facility location, must be entered on a claim. Per the documentation, though an address may not appear in the loop named “service facility address,” the information may still be available on the claim in a related loop.

For example:

- On version 4010/4010A of the ANSI X12N 837 electronic claim format, the Billing Provider loop 2010AA is required and therefore must always be entered. If the Pay-To Provider Name and Address loop 2010AB is the same as the Billing Provider, only the Billing Provider will be entered. If no Pay-To Provider Name and Address is entered in loop 2010AB, and the Service Facility Location loop 2310D (claim level) or 2420C (line level) is the same as the Billing Provider, then only the Billing Provider will be entered. In this case, price the service based on the Billing Provider ZIP code.

***EXCEPTION: For DMERC claims - Effective for claims received on or after 1/1/05, the Standard System shall not evaluate the 2010AA loop for a valid place of service. If there is no entry in the 2420C loop or the 2310D loop, the claim shall be returned as unprocessable.***

- If the Pay-To Provider Name and Address loop 2010AB is not the same as the Billing Provider, both will be entered. If the Service Facility Location loop 2310D is not the same as the Billing Provider or the Pay-To Provider, the Service Facility Location loop 2310D (claim level) will be entered. Price the service based on the ZIP code in Service Facility Location loop 2310D, unless the 2420C (line level) is also entered. In that case, price the service based on the ZIP code in the Service Facility Location loop 2420C (line level) for that line.

Make any necessary accommodations in claims processing systems to accept either the header level or line level information as appropriate and process the claims accordingly. No longer use the provider address on file when the POS is office to determine pricing locality and jurisdiction. Appropriate information from the claim must always be used. In the following situation, per the information in the 4010/4010A1 version of the ANSI X12N 837, the place where the service was rendered cannot be identified from the claim. In this situation, price all services on the claim based on the ZIP code in the Billing Provider loop. Continue to take this action until such time as the ASC documentation is revised to allow for identification of where the service was rendered to be identified from the claim.

If the Pay-To Provider Name and Address loop 2010AB is not the same as the Billing Provider, both will be entered. If the Service Facility Location loop 2310D (claim level) or 2420C (line level) is the same as the Billing Provider or the Pay-To Provider, no entry is required per version 4010/4010A1 for Service Facility Location loop 2310D (claim level) or 2420C (line level).

When the same POS code and same service location address is applicable to each service line on the claim, the service facility location name and address must be entered at the claim level loop 2310D.

In general, when the service facility location name and address is entered only at the claim level, use the ZIP code of that address to determine pricing locality for each of the services on the claim. When entered at the line level, the ZIP code for each line must be used.

If the POS code is the same for all services, but the services were provided at different addresses, each service must be submitted with line level information. This will provide a ZIP code to price each service on the claim.

### **B - Paper Claims Submitted on the Form CMS-1500**

Note that the following instructions do not apply to services rendered at POS home - 12. (See [§10.1.1.1](#))

It is acceptable for claims to contain POS home and an additional POS code. No service address for POS home needs to be entered for the service rendered at POS home in this situation as the address will be drawn from the beneficiary file (or wherever else the carrier is currently storing the beneficiary information) and the information on the claim will apply to the other POS.

The provider must submit separate claims for each POS. The specific location where the services were furnished must be entered on the claim. Use the ZIP code of the address entered in Item 32 to price the claim. If multiple POS codes are submitted on the same claim, treat assigned claims as unprocessable and follow