| CMS Manual System | **Department of Health & Human Services (DHHS)** |
|---|---|
| Pub 100-08 Medicare Program Integrity | **Centers for Medicare & Medicaid Services (CMS)** |
| **Transmittal 367** | **Date: February 25, 2011** |
| | **Change Request 7305** |

**SUBJECT: Use of Claims History Information in Claim Payment Determinations**

**I. SUMMARY OF CHANGES:** The ACs, MACs, CERT and RACs conduct complex medical review and make payment determinations on claims. This CR updates instructions on the use of claims history information during the course of medical review. All requirements in this Change Request (CR) are effective for CERT reviews retroactively for the November 2011 report period. All requirements for ACs, MACs and RACs are applicable for reviews conducted on or after 30 days after the issuance of this CR.

**EFFECTIVE DATE: March 25, 2011**
**IMPLEMENTATION DATE: March 25, 2011**

*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 |
|---|---|
| N | 3/3.18/Use of Claims History Information in Claim Payment Determinations |

**III. FUNDING:**
**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):**
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**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. 100-08 | Transmittal: 367 | Date: February 25, 2011 | Change Request: 7305 |
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**SUBJECT: Use of Claims History Information in Claim Payment Determinations**

**Effective Date**: March 25, 2011

**Implementation Date:** March 25, 2011

## I. GENERAL INFORMATION

**A. Background:** The ACs, MACs and CERT conduct complex medical review and make payment determinations on claims. This CR updates instructions on the use of claims history information during the course of medical review. All requirements in this Change Request (CR) are effective for CERT reviews retroactively for the November 2011 report period. All requirements for ACs, MACs and RACs are applicable for reviews conducted on or after 30 days after the issuance of this CR.

**B. Policy:** The AC, MAC and CERT reviewers shall use claims history information in limited circumstances when making complex review determinations about a claim.

## II. BUSINESS REQUIREMENTS TABLE

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | OTHER |
| | | | | | | | FISS | MCS | VMS | CWF | |
| 7305.1 | All requirements in this Change Request (CR) are effective for CERT reviews retroactively for the November 2011 report period. All requirements for ACs and MACs are applicable for reviews conducted on or after 30 days after the issuance of this CR. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.2 | In general, AC, MAC, CERT and RAC reviewers shall not use claims history information to make a payment determination on a claim. However, this policy does not prevent contractors from using claims history for other purposes such as data mining. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.3 | The AC, MAC, CERT and RAC reviewers shall use claims history information as a supplement to the medical record only in the circumstances described in this CR when making complex review determinations about payment on a claim. | x | x | x | x | x | | | | | CERT, RACs |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | OTHER |
| | | | | | | | FISS | MCS | VMS | CWF | |
| 7305.4 | AC, MAC, CERT and RAC reviewers have the discretion to use beneficiary payment history to identify other providers, other than the billing entity, who may have documentation to support payment of a claim. AC, MAC, CERT and RAC reviewers have the discretion to contact identified providers for supporting documentation. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.5 | AC, MAC, CERT and RAC reviewers have the discretion to use claims history information to document an event, such as a surgical procedure, that supports the need for a service or item billed in limited circumstances. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.6 | If repeated attempts to collect medical record of the event are unsuccessful, contractors have the discretion to consider claims history information as documentation of the event. Contractors shall document their repeated attempts to collect the medical record if they chose to consider claims history information as documentation of the event. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.7 | AC, MAC, CERT and RAC reviewers shall use claims history information to verify that the frequency or quantity of supplies provided to a beneficiary do not exceed policy guidelines. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.8 | AC, MAC, CERT and RAC reviewers shall use claims history information to make a determination of the quantity of items to be covered based on policy guidelines. Information obtained on a claim being reviewed may be applied to a prior paid claim to make a determination of how long the quantity of items provided/billed on the paid claim should last. If a new quantity of items is billed prior to the projected end date of the previously paid claim (based on policy guidelines), the new quantity should be denied. | x | x | x | x | x | | | | | CERT, RACs |
| 7305.9 | AC, MAC, CERT and RAC reviewers shall use claims history information to identify duplication and overutilization of services. | x | x | x | x | x | | | | | CERT, RACs |

## III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | OTHER |
| | | | | | | | FISS | MCS | VMS | CWF | |
| | None. | | | | | | | | | | |

## IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A**
*Use "Should" to denote a recommendation.*

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---|---|
| | |

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

## V. CONTACTS

**Pre-Implementation Contact(s):** Marissa Malcolm, 410-786-0119 Deborah Ricker, 410-786-0970

**Post-Implementation Contact(s):** Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

## VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs)*:**
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 Program Integrity Manual

## Chapter 3 - Verifying Potential Errors and Taking Corrective Actions

**Table of Contents**
***(Rev. 367, 02-25-11)***

## *3.18 – Use of Claims History Information in Claim Payment Determinations*

***(Rev.367, Issued: 02-25-11, Effective: 03-25-11, Implementation: 03-25-11)***

*All requirements in this Change Request (CR) are effective for CERT reviews retroactively for the November 2011 report period. All requirements for ACs, MACs and RACs are applicable for reviews conducted on or after 30 days after the issuance of this CR.*

***A. Contractors to Which This Section Applies***

*This section applies to ACs, MACs, CERT and RACs*

***B. General***

*In general, AC, MAC, CERT and RAC reviewers shall not use claims history information to make a payment determination on a claim. However, this policy does not prevent contractors from using claims history for other purposes such as data mining.*

*The AC, MAC, CERT and RAC reviewers shall use claims history information as a supplement to the medical record only in the following circumstances when making complex review determinations about payment on a claim.*

*1. AC, MAC, CERT and RAC reviewers have the discretion to use beneficiary payment history to identify other providers, other than the billing entity, who may have documentation to support payment of a claim. AC, MAC, CERT and RAC reviewers have the discretion to contact identified providers for supporting documentation.*

*Example: A diabetic beneficiary may have an order from a family practitioner but is also seeing an endocrinologist. The documentation from the family practitioner does not support the level of diabetic testing, but medical records from the endocrinologist do support the level of testing.*

*2. AC, MAC, CERT and RAC reviewers have the discretion to use claims history information to document an event, such as a surgical procedure, that supports the need for a service or item billed in limited circumstances. In some cases, this event occurs a number of years prior to the date of service on the claim being reviewed, making it difficult to collect medical record documentation. If repeated attempts to collect medical record of the event are unsuccessful, contractors have the discretion to consider claims history information as documentation of the event. Contractors shall document their repeated attempts to collect the medical record if they chose to consider claims history information as documentation of the event. Claims history information shall be used only to validate specific events; not as a substitute for the medical record.*

*Example: A beneficiary is eligible for immunosuppressant drugs only if they received an organ transplant. Patients generally remain on these life-saving drugs for the rest of their life so it is possible for the transplant to have occurred many years prior to the date of service being reviewed. If there was no record of the transplant in the medical documentation provided by the ordering physician, the contractor may use claims history to validate the transplant occurred.*

*3. AC, MAC, CERT and RAC reviewers shall use claims history information to verify that the frequency or quantity of supplies provided to a beneficiary do not exceed policy guidelines.*

*4. AC, MAC, CERT and RAC reviewers shall use claims history information to make a determination of the quantity of items to be covered based on policy guidelines. Information obtained on a claim being reviewed may be applied to a prior paid claim to make a determination of how long the quantity of items provided/billed on the paid claim should last. If a new quantity of items is billed prior to the projected end date of the previously paid claim (based on policy guidelines), the new quantity should be denied.*

*Example: Twice per day testing of blood sugars is ordered for a non-insulin treated beneficiary with diabetes. A 3 month quantity of supplies (for twice per day testing) is provided on July 1 and is paid without review. Another 3 month quantity of supplies is provided on 10/1. That claim is developed and reviewed and a determination is made that the medically necessary frequency of testing is once per day. Therefore, the 10/1 claim should be denied because the quantity of supplies paid for on 7/1 was sufficient to last beyond 10/1 if testing was done once per day.*

*5. AC, MAC, CERT and RAC reviewers shall use claims history information to identify duplication and overutilization of services.*