CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 634	Date: February 5, 2010
	Change Request 6359

SUBJECT: Reporting the Beneficiary's Residence State Code and ZIP Code for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Claims

I. SUMMARY OF CHANGES: This change request instructs the VMS shared system maintainer to begin reporting to the Common Working File (CWF) both the State used to identify the DMEPOS fee schedule that determined the Medicare payment amount and the beneficiary's residence ZIP code for all DMEPOS claims. It also implements changes to the CWF and the National Claims History (NCH) to begin capturing this information in the Standard Analytical Files (SAF) claims data to be used for DMEPOS claims research and evaluation purposes.

NEW / REVISED MATERIAL
EFFECTIVE DATE: *July 1, 2010
IMPLEMENTATION DATE: July 6, 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
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. 100-20	Transmittal: 634	Date: February 5, 2010	Change Request: 6359

SUBJECT: Reporting the Beneficiary's Residence State Code and ZIP Code for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Claims

EFFECTIVE DATE: July 1, 2010

IMPLEMENTATION DATE: July 6, 2010

I.   GENERAL INFORMATION

A.   Background:

The State of the beneficiary's address of residence, as reported on the claim, is currently used to determine the applicable fee schedule amount for claims for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) items. When National Competitive Bidding (NCB) is fully implemented, the ZIP code of the beneficiary's address of residence, as reported on the claim, will also be used in pricing DMEPOS claims.

Currently, the ViPS Medicare System (VMS) captures and processes both the State code and the ZIP code of the beneficiary's address of residence for both electronic and paper claims. However, there is only logic within VMS to ensure that the State code of the beneficiary's address of residence is present and that it is sent to the Common Working File (CWF). There is limited logic within VMS to ensure that the ZIP code of the beneficiary's address of residence is present on the claim and no logic exists today to send this value to CWF. Therefore, this information is not currently passed on to the National Claims History (NCH) and is not captured in the Standard Analytical File (SAF) claims data.

The Centers for Medicare and Medicaid Services uses the SAF claims data for various research purposes. However, for DMEPOS, CMS uses alternate sources of information for research and evaluation purposes, due to the above described limitations of the SAF claims data.

This change request instructs the VMS shared system maintainer to begin reporting to the CWF the ZIP code of the beneficiary's address of residence and to continue to report to the CWF the State code of the beneficiary's address of residence, as reported on the claim, for all DMEPOS claims. (The VMS shared system maintainer currently reports the State Code of the beneficiary's address of residence to CWF). It also implements changes to the CWF and the NCH to begin capturing this information in the SAF claims data to be used for DMEPOS claims research and evaluation purposes.

B.   Policy:

Effective for claims processed on July 6, 2010, and later, the VMS shared system shall begin reporting the ZIP Code of the beneficiary's address of residence to the CWF, as reported on the claim. The VMS shared system shall continue to report to the CWF the State Code of the beneficiary's address of residence, as reported on the claim and used for pricing. The CWF shall accept both the beneficiary's residence State Code and ZIP code. The fields named shall identify the State Code and Zip Code as the pricing area in order to distinguish them from other geographic data items. This additional information shall NOT replace address information currently captured and accepted on processed records (i.e., the ZIP code, State, and county from the beneficiary enrollment file). The CWF shall pass the beneficiary's Residence State Code and ZIP Code to the NCH and the NCH shall capture this information in the SAF claims data.

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
							Shared-System Maintainers				
6359.1	The shared system maintainer shall begin reporting to the CWF the ZIP code of the beneficiary's address of residence, as reported on the claim, for all DMEPOS claims processed on or after July 6, 2010. The shared system maintainer shall continue to report to the CWF the State code of the beneficiary's address of residence used for pricing, as reported on the claim. **Note:** The VMS shared system maintainer already carries the State Code and ZIP Code of the beneficiary's address of residence, but currently only reports the beneficiary's State Code to CWF.								X	X	
6359.1.1	The shared system maintainer shall continue to report to the CWF the State code of the beneficiary's address of residence used for pricing, as reported on the claim.								X	X	
6359.1.2	The shared system maintainer and CWF shall create a new HUDC beneficiary residence ZIP code field, defined at the claim line level, to report the ZIP code of the address where the beneficiary resides. The new ZIP Code field shall be named "ZIP Code where the Beneficiary Resides."								X	X	
6359.1.3	When the beneficiary has a representative payee, the DME MACs shall input the ZIP Code of the beneficiary's address of residence into VMS.		X								
6359.2	The shared system maintainer shall send both the State Code and the ZIP Code of the beneficiary's address of residence to Comprehensive Error Rate Testing (CERT) on the same sample claim resolution file.								X		CERT
6359.3	The CWF shall edit the claims data to ensure that a ZIP code for the beneficiary is present on the claim.									X	
6359.3.1	CWF shall reject claims that do not contain a ZIP code.									X	
6359.3.2	The VMS shall accept the CWF reject specified in 6359.3.1 and suspend the claim for review.								X		
6359.3.3	The DME MACs shall develop suspended claims for the beneficiary's ZIP code, and process the claims if the ZIP code information is available.		X								
6359.3.4	If the beneficiary's ZIP code information is not available, the DME MACs shall deny the claim.		X								

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
							Shared-System Maintainers				
6359.3.4.1	The DME MACs shall use the following Reason and Remark Codes when a claim is denied: Reason Code 16: Claims/Service lacks information which is needed for adjudication. Remark Code MA37: Missing/incomplete /invalid patient's address.		X								
6359.3.5	The DME MACs shall use the following MSN message: 9.2 - This item or service was denied because information required to make payment was missing. Spanish translation: 9.2 - Este artículo o servicio fue denegado porque la información requerida para hacer el pago fue omitida.		X								
6359.3.6	The DME MACs shall assign group code CO (contractual obligation.)		X								
6359.4	The CWF shall pass the data captured and stored in 6359.1.2 on to the National Claims History (NCH) to be included in the SAF.									X	
6359.5	The NCH shall create fields to store both the State Code and the ZIP Code of the beneficiary's address of residence for DMEPOS claims so that this data may be included in SAF claims data.										NCH
6359.6	Effective for DMEPOS claims processed on or after July 6, 2010, the NCH shall capture and store both the State code and the ZIP code of the beneficiary's address of residence, when received from CWF, and shall include this data in the SAF.										NCH

III. PROVIDER EDUCATION TABLE

Number	Requirement	A/B	DME	FI	CAR	RHH	Shared-System Maintainers				OTHER

		MAC	MAC		R I E R	I	F I S S	M C S	V M S	C W F	
6359.7	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN 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 one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.		X								

IV.   SUPPORTING INFORMATION

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

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

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

V. CONTACTS

Pre-Implementation Contact(s): Tracey Herring, (410) 786-7169 or Tracey.Herring@cms.hhs.gov

Post-Implementation Contact(s):   Appropriate Regional Office

VI. FUNDNG

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.