CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-19 Demonstrations	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 65	**Date: April 23, 2010**
	Change Request 6932

SUBJECT: Clarification of Unsolicited Response and Auto Adjustment of Claims under CR 6001 for the Medicare Acute Care Episode (ACE) Demonstration

I. SUMMARY OF CHANGES: Business requirements 6001.103, 6001.104, and 6001.105 are modified to incorporate a procedure for identifying and correcting claims erroneously processed as "no-pay" claims under the ACE demonstration. All other sections of CR 6001, of CR 6771 will remain unchanged.

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:
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.

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. 100-19	Transmittal: 65	Date: April 23, 2010	Change Request: 6932

SUBJECT: Clarification of Unsolicited Response and Auto Adjustment of Claims under CR 6001 for the Medicare Acute Care Episode (ACE) Demonstration.

Effective Date: July 1, 2010

Implementation Date: July 6, 2010

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) issued change request (CR) 6001 on June 27, 2008 to implement the necessary requirements for the ACE demonstration project. Under the ACE demonstration, CMS is issuing a single global payment to an institution for both the hospital and physician components of the episode of care. During the period of time that the Notice of Admission is open, Part B claims for services rendered during that period are classified as "no-pay" claims to be covered under the bundled payment. However, when a discharge date is put on the NOA auxiliary record as a result of processing the final hospital bill, some Part B claims incurred after the time of discharge may have been erroneously processed as "no-pay" claims as if incurred during the period of hospitalization. Once the NOA has been closed, CWF must "look back" for such Part B claims and reprocess them under traditional Medicare Part B rules.

B. Policy: Business requirements 6001.103, 6001.104, and 6001.105 as formerly communicated must be modified to incorporate a procedure for identifying and correcting claims erroneously processed as "no-pay" claims under the ACE demonstration. All other sections of CR 6001, as will be modified by CR 6771, will remain unchanged.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement.

Number	Requirement								
		A/B MAC	DME MAC	RHHI	Shared-System Maintainers				OTHER
					FISS	MCS	VMS	CWF	
	UNSOLICITED RESPONSE AND AUTO ADJUSTMENT OF CLAIMS								
6932.1	If an NOA is cancelled *or after the discharge date is put on the NOA auxiliary record as a result of processing the final hospital bill (thereby effectively ending the NOA period),* the hospital shall notify physicians who may have submitted bills to the A/B MAC and had								Demo Hospital, Physician

Number	Requirement	A/B MAC	DME MAC	RHHI	Shared-System Maintainers				OTHER
					FISS	MCS	VMS	CWF	
	them processed as "no pay" under the demonstration that the services may now be eligible for payment under traditional Medicare Part B rules. (Replaces 6001.103)								
6932.2	Upon receipt of a cancellation to an NOA *or after the discharge date is put on the NOA auxiliary record as a result of processing the final hospital bill (thereby effectively ending the NOA period),* CWF shall initiate a "look back" into the claims history records to identify demonstration claims- i.e., Part B physician or other professional claims - which were processed as "no pay" as a result of the NOA being opened. **NOTE:** These claims may be identified by the demonstration number on them (54). (Replaces 6001.104)							X	
6932.3	If there are any no pay claims identified relating to the canceled NOA *or the period following the discharge of the patient,* CWF shall send an unsolicited response to the A/B MAC originally processing the claim directing *the contractor to* automatically adjust *the affected claims*. (Replaces 6001.105)	X						X	

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:
"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
1.	1. CR 6001, Transmittal Pub 100-19 Demonstrations, Issued June 27, 2008
2.	2. CR 6771, Transmittal Pub 100-19 Demonstrations, To be issued July, 2010

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Cynthia Mason/410-786-6680

Post-Implementation Contact(s): Cynthia Mason/410-786-6680

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)*:

NOTE: This CR applies only to the MAC in MAC Jurisdiction 4 which covers the States of Texas, Oklahoma, New Mexico, and Colorado. We are already funding the J4 MAC under a separate contract for the ACE demonstration.

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.