

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 684	Date: April 28, 2010
	Change Request 6910

SUBJECT: New Medicare Summary Notice (MSN) Message for Higher than Expected (PPS) Payments

I. SUMMARY OF CHANGES: When Medicare sets payment prospectively, a payment unit is worked out in advance for a whole group of services that are delivered together as part of a single Medicare benefit. This type of payment is made instead of paying each service alone on the basis of its individual cost. Consequently, sometimes payments may be less than expected based on charges for individual services, but also, sometimes greater than expected. Prospective payment gives health care providers an overall incentive to be efficient in delivering care, and keeps Medicare payment largely within previously set prospective rates. Consequently, this Change request (CR) proposes a new MSN message to briefly explain the higher-than-expected amounts outlines above.

EFFECTIVE DATE: October 1, 2009

IMPLEMENTATION DATE: October 4, 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

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Effective Date: October 1, 2010

Implementation Date: October 4, 2010

I. GENERAL INFORMATION

A. Background:

CMS has received a number of inquiries from Medicare beneficiaries that question information on their Medicare Summary Notices (MSNs). These questions occur when Medicare payment amounts are higher than the charges billed by providers. There are valid situations under a Medicare prospective payments system (PPS) when payment amounts are reimbursed at a higher rate than billed charges, but still, Medicare beneficiaries may be confused when seeing this. **This instruction adds a new MSN message to explain this situation for each PPS.**

B. Policy:

Section 1806 of the Social Security Act (SSA) requires that Medicare send its beneficiaries a statement which lists the items and services where Medicare made payment on their behalf. The solution for this requirement evolved to be fulfilled by a single national notice, the Medicare Summary Notice or MSN, delivered to Medicare beneficiaries when they receive Medicare-reimbursed care.

Consequently, this CR proposes a new MSN message to briefly explain the higher-than-expected amounts discussed above. Further, CMS aims to reduce related administrative costs of individual explanations as questions arise with use of an appropriate MSN message for a reminder:

Message # 30.41

English:

What Medicare pays for a service or item may be higher than the billed amount. The Medicare payment amount is correct. Medicare pays this provider less than the billed amount on other claims since payment rates are set in advance for certain services and averaged out over an entire year.

Spanish:

La cantidad que Medicare paga por un servicio o suministro puede ser mayor a la cantidad facturada. El pago de Medicare es correcto. Medicare le paga a este proveedor menos de la cantidad facturada para otras reclamaciones, debido a que los índices de pago se establecen por anticipado para ciertos servicios y se promedian para el año.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6910.1	Contractors shall add MSN message 30.41 to other such messages currently existing.	X		X		X	X				
6910.1.1	Contractors shall employ MSN message 30.41 when dollar amounts shown in covered charges for a specific line of a claim are less than payments on a line, or for the entire claim, when paid under PPS.	X		X		X	X				
6910.1.1.1	MSN message 30.41 shall only be applied to the following institutional types of bill (TOBs) when an item or service is paid under PPS: 11x, 12x, 13x, 14x, 18x, 21x, 32x, 33x, 34x, 75x, 76x, or any TOB with condition code 07.	X		X		X	X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6910.2	<p>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.</p> <p>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.</p>	X		X		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): Elizabeth Carmody, elizabeth.carmody@cms.hhs.gov, 410-786-7533 or Wil Gehne, wilfried.gehne@cms.hhs.gov, 410-786-6148, CMM/PBG/DICP

Post-Implementation Contact(s): Your Regional Office

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)*:

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.