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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-20 One-Time Notification | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 777 | Date: September 24, 2010 |
| | Change Request 7066 |

SUBJECT: Durable Medical Equipment (DME) National Competitive Bidding (NCB) Implementation- Phase 11E: Remittance Advice (RA) and Medicare Summary Notice (MSN) Messages for Round One

I. SUMMARY OF CHANGES: This Change Request implements remark, reason codes, and Medicare Summary Notice messages for use in processing National Competitive Bidding claims for the Round One Rebid.

EFFECTIVE DATE: January 1, 2011

IMPLEMENTATION DATE: January 3, 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/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. 100-20 | Transmittal: 777 | Date: September 24, 2010 | Change Request: 7066 |
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SUBJECT: Durable Medical Equipment (DME) National Competitive Bidding (NCB) Implementation-Phase 11E: Remittance Advice (RA) and Medicare Summary Notice (MSN) Messages for Round One

Effective Date: January 1, 2011

Implementation Date: January 3, 2011

I. GENERAL INFORMATION

A. Background: Currently, Medicare payment for most DMEPOS items is based on fee schedules. However, Section 302(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), which amended Section 1847 of the Social Security Act (the Act), mandates competitive bidding programs to replace the current DMEPOS fee schedule payment amounts for selected items.

Round One of the DMEPOS Competitive Bidding Program was implemented on July 1, 2008, in 10 competitive bidding areas, as mandated by the MMA. As part of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), Congress enacted a temporary delay in the competitive bidding program for Round One Competitive Bidding Areas. The law required CMS to terminate the existing contracts that were awarded in Round One and re-compete the contracts in 2009. MIPPA also excluded certain DMEPOS items and areas from competitive bidding and provided an exemption to the program for hospitals that furnish certain types of DMEPOS items to their own patients.

On January 16, 2009, CMS issued an interim final regulation with comment period that incorporates changes required by the MIPPA (see CMS 1561-IFC, Federal Register: February 19, 2009, Volume 74, Number 32). This rule implements certain MIPPA provisions that delay implementation of Round One of the Competitive Bidding Program; required CMS to conduct a second Round One competition (the Round One rebid) in 2009 and mandated certain changes for both the Round One rebid and subsequent rounds of the program. This Change Request instructs the DME MACs and ViPS to use specific Medicare Summary Notice and Remittance Advice messages for specific circumstances when processing National Competitive Bidding claims.

B. Policy: The contractors shall use the appropriate remark, reason and Medicare Summary Notice (MSN) messages when processing National Competitive Bidding (NCB) claims for the Round One Rebid as indicated in the business requirements below.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | |
|--------|-------------|---|---|---|---|---|---------------------------|-------|
| | | A | D | F | C | R | Shared-System Maintainers | OTHER |
| | | / | M | I | A | H | | |
| | | B | E | | R | H | | |

| | | M A C | M A C | | R I E R | I | F I S S | M C S | V M S | C W F | |
|--------|---|-------------|-------------|--|------------------|---|------------------|-------------|-------------|-------------|--|
| 7066.1 | <p>Contractors shall use the following messages when paying a claim for a beneficiary who resides in a CBA who obtains an item from a contract supplier in their CBA:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M112: Reimbursement for this item is based on the single payment amount required under the DMEPOS Competitive Bidding Program for the area where the patient resides.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.90: You live in a Competitive Bidding Area. This is a Competitive Bidding item. The Medicare approved amount is based on the bid price for this item under the DMEPOS competitive bidding program.</p> <p>MSN 8.90: Usted vive en una zona del programa de subasta de equipo médico. Este es un artículo de oferta competitiva. La cantidad aprobada por Medicare está basada en el precio ofrecido para este artículo de conformidad con el programa DMEPOS de adquisición competitiva.</p> | | X | | | | | | X | | |
| 7066.2 | <p>Contractors shall use the following messages when denying a claim for a beneficiary who resides in a CBA who obtains an item from a non-contract supplier that has not obtained a signed Advanced Beneficiary Notice (ABN):</p> <p>M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or other Demonstration Project. For more information regarding this project, contact your local contractor.</p> <p>96: Non-covered charge(s).</p> <p>N211: Alert: You may not appeal this decision.</p> <p>MA13: Alert: You may be subject to penalties if you</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|--|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | <p>bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.92: You live in a Competitive Bidding Area and this item must be provided by a Medicare-contract supplier under the DMEPOS competitive bidding program. Medicare won't pay for this item and you shouldn't be billed for this item or service. You don't have to pay this amount. Medicare appeal rights don't apply to this item.</p> <p>MSN 8.92: Usted vive en una zona del programa de subasta de equipo médico y este artículo debe ser provisto por un proveedor que tenga un contrato con Medicare de conformidad con el programa DMEPOS de subasta competitiva. Medicare no pagará por dicho artículo/servicio y a usted tampoco deberían cobrárselo. Usted no tiene que pagar la cantidad mencionada en la factura. Sus derechos de apelación de Medicare no se aplican a este artículo.</p> | | | | | | | | | | |
| 7066.3 | <p>Contractors shall use the following messages when a supplier has collected more than the 20% co-pay and any remaining deductible for an NCB claim:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>MA59: Alert: The patient overpaid you for these services. You must issue the patient a refund within 30 days for the difference between his/her payment and the total amount shown as patient responsibility on this notice.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>N211: Alert: You may not appeal this decision</p> <p>MSN 8.73: The claim for this service was processed according to rules of the DMEPOS competitive bidding</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|--|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | <p>program.</p> <p>MSN 8.73: La reclamación por este servicio fue procesado según los reglamentos del programa de subasta de equipo médico (DMEPOS).</p> <p>MSN 34.3: After applying Medicare guidelines and the amount you paid to the provider at the time the services were rendered, our records indicate you are entitled to a refund. Please contact your provider. (NOTE: Mandated message - This message should print claim level on assigned claims with a split payment to the beneficiary under \$1.00.) (NOTE: Use this message only when your system cannot plug the dollar amount in message 34.8.)</p> | | | | | | | | | | |
| 7066.4 | <p>Contractors shall use the following messages when denying a claim for an NCB item obtained from a non-contract supplier when the supplier has obtained an ABN:</p> <p>96: Non-covered charge(s)</p> <p>M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>N211: Alert: You may not appeal this decision.</p> <p>M38: The patient is liable for the charges for this item/service. The patient was informed in writing before the service was furnished that CMS would not pay for the item/service, and the patient agreed to pay by signing the Advanced Beneficiary Notice (ABN).</p> <p>MSN 8.74: You signed an Advanced Beneficiary Notice (ABN) saying that you wanted to get this item from a non-winning supplier under the DMEPOS Competitive Bidding Program. Therefore, Medicare will not pay for this item. You must pay the supplier in full.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|--|---|-------------|--------|---------------------------------|-------------|------------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | MSN 8.74: Usted firmó una Notificación Previa al Beneficiario (ABN por su sigla en inglés) diciendo que quería recibir este artículo de un "suplidor sin contrato" bajo el Programa de Oferta Competitiva (DMEPOS). Por lo tanto, Medicare no pagará por este artículo. Usted debe pagarle al suplidor la cantidad total. | | | | | | | | | | |
| 7066.5 | <p>Contractors shall use the following messages when a beneficiary from a CBA travels to a different CBA and obtains an NCB item from a contract supplier in that CBA:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M112: Reimbursement for this item is based on the single payment amount required under the DMEPOS Competitive Bidding Program for the area where the patient resides.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.63: This supplier is not located in your competitive bidding area, but is located in a different competitive bidding area. The supplier won a contract under national competitive bidding in their area. They must accept the bid price from your area as payment in full, and may not charge you more than 20% of the bid price for your area, and any unmet deductibles.</p> <p>MSN 8.63: Este suplidor no se encuentra en su área de oferta competitiva sino que está en un área de oferta competitiva distinta. Este suplidor ganó un contrato en su área bajo la oferta competitiva nacional. El suplidor debe usar el costo de la oferta de su área como pago</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | completo y no le puede cobrar más del 20% del costo de oferta para su área y algún deducible que deba. | | | | | | | | | | |
| 7066.6 | <p>Contractors shall use the following messages when a beneficiary from a CBA travels to an area that is not designated as a CBA:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M112: Reimbursement for this item is based on the single payment amount required under the DMEPOS Competitive Bidding Program for the area where the patient resides.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.61: This supplier is not located in your competitive bidding area, but is required to accept the same price as a supplier in your area. This supplier may not charge you more than 20% of the bid price, and any unmet deductibles.</p> <p>MSN 8.61: Este suplidor no se encuentra en su área de oferta competitiva pero tiene que usar el mismo costo que un suplidor en su área. Este suplidor no le puede cobrar más del 20% del costo de oferta y algún deducible que deba.</p> | | X | | | | | | X | | |
| 7066.7 | <p>Contractors shall use the following messages when making payment to a non-contract supplier at the bid price on a grandfathered claim :</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M112: Reimbursement for this item is based on the</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|--|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | <p>single payment amount required under the DMEPOS Competitive Bidding Program for the area where the patient resides.</p> <p>M113: Our records indicate that this patient began using this item/service prior to the current contract period for DMEPOS Competitive Bidding Program.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.91: Our records show that you began using this item before the DMEPOS Competitive Bidding Program began and you decided to keep renting this item from your current supplier. The Medicare-approved amount is based on the bid price for this item for the area where you live.</p> <p>MSN 8.91: Según la información que consta en nuestro archivo, usted comenzó a usar este artículo antes de que entrara en vigencia el programa DMEPOS de subasta competitiva, y usted decidió continuar alquilándoselo a su proveedor actual. La cantidad aprobada por Medicare está basada en el precio ofrecido para este artículo en la zona en la que usted vive.</p> | | | | | | | | | | |
| 7066.8 | <p>Contractors shall use the following messages when making payment to a non-contract supplier at the fee schedule amount on a grandfathered claim for inexpensive and routinely purchased (IRP) items or capped rental base equipment:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M113: Our records indicate that this patient began using this item/service prior to the current contract period for DMEPOS Competitive Bidding Program.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local</p> | | X | | | | | X | | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|--------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | <p>contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.95: Our records show that you began using this item before the DMEPOS Competitive Bidding program started for this item in your area. Because you decided to keep renting this item from your current supplier, this item will be paid at the standard payment amount and not at the bid price.</p> <p>MSN 8.95: Según la información que consta en nuestro archivo, usted comenzó a usar este artículo antes de que entrara en vigencia el programa DMEPOS de subasta competitiva en su zona. Debido a que usted decidió continuar alquilándoselo a su proveedor actual, el artículo será pagado al precio regular y no al precio ofrecido.</p> | | | | | | | | | | |
| 7066.9 | <p>Contractors shall use the following messages when denying claims for physicians and hospitals acting as DMEPOS suppliers when no matching office visit is found in claims history:</p> <p>B15: Payment adjusted because this service/procedure requires that a qualifying service/procedure be received and covered. The qualifying other service/procedure has not been received/adjudicated.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 16.66: Medicare doesn't pay for DMEPOS items or services when provided by a hospital or physician if there is no matching date of discharge or date of service.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | MSN 16.66: Medicare no paga por los servicios DEMPOS o artículos cuando sean provistos por el hospital o el médico si no se indica una fecha de alta/salida del lugar o la fecha del servicio. | | | | | | | | | | |
| 7066.10 | <p>Contractors shall use the following messages when denying beneficiary-submitted claims that are subject to NCB:</p> <p>111: Not covered unless the provider accepts assignment.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>N211: Alert: You may not appeal this decision</p> <p>MSN 16.7: Your provider must complete and submit your claim in accordance with DMEPOS Competitive Bidding Program.</p> <p>MSN 16.7: Su proveedor debe completar y someter su reclamación.</p> | | X | | | | | | X | | |
| 7066.11 | <p>Contractors shall use the following messages when denying paper claims subject to NCB:</p> <p>A1: Claim/Service Denied.</p> <p>M117: Not covered unless submitted via electronic claim.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>N211: Alert: You may not appeal this decision</p> <p>MSN 9.9: This service is not covered unless the supplier/provider files an electronic media claim (EMC).</p> <p>MSN 9.9: Este servicio no está cubierto a menos de que el suplidor/proveedor tramite una reclamación de medio electrónico (EMC, por sus siglas en inglés).</p> | | | | | | | | | | |
| 7066.12 | <p>Contractors shall use the following messages when denying claims for SNFs acting as limited contract suppliers when the place of service does not indicate a SNF:</p> <p>170: Payment is denied when performed/billed by this type of provider.</p> <p>M77: Missing/incomplete/invalid place of service.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.96: This item or service isn't covered because the claim shows that it wasn't provided in a skilled nursing facility or nursing facility. The claim for this item or service was processed according to the rules of the DMEPOS competitive bidding program.</p> <p>MSN 8.96: Este artículo o servicio no está cubierto porque la reclamación indica que no fue provista en un centro de enfermería especializada o en un centro de</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | atención. La reclamación fue procesada de acuerdo con las normas del programa DMEPOS de subasta competitiva. | | | | | | | | | | |
| 7066.13 | <p>Contractors shall use the following messages when making payments for oxygen in situations where the beneficiary does not use a grandfathered supplier, so that when the 36-month payment cap under the Deficit Reduction Act (DRA) has been reached, the cap must be increased for a total of up to 45 payments:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.73: The claim for this service was processed according to rules of the DMEPOS competitive bidding program.</p> <p>MSN 8.73: La reclamación por este servicio fue procesado según los reglamentos del programa de subasta de equipo médico (DMEPOS).</p> | | X | | | | | | X | | |
| 7066.14 | <p>Contractors shall use the following remark and reason codes when denying claims under NCB where a supplier submits a claim for oxygen equipment when the payment cap has been reached:</p> <p>B7: This provider was not certified/eligible to be paid for this procedure/service on this date of service.</p> <p>N211: Alert: You may not appeal this decision.</p> <p>N370: Billing exceeds the rental months covered/approved by the payer.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MSN 8.73: The claim for this service was processed according to rules of the DMEPOS competitive bidding program.</p> <p>MSN 8.73: La reclamación por este servicio fue procesado según los reglamentos del programa de subasta de equipo médico (DMEPOS).</p> | | | | | | | | | | |
| 7066.15 | <p>Contractors shall use the following messages when making payments for capped rental situations where the beneficiary does not use a grandfathered supplier, so that a total maximum of up to 25 payments will be made:</p> <p>45: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.73: The claim for this service was processed according to rules of the DMEPOS competitive bidding program.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | |
|---------|---|---|--------------------------------|--------------------------------|----------------------------|------------------|---------------------------|-------------|-------------|--|
| | | A / B M A C | D M E M A C | F I R E E R | C A R I E R | R H I | Shared-System Maintainers | | | |
| | | | | | | F I S S | M C S | V M S | C W F | |
| | MSN 8.73: La reclamación por este servicio fue procesado según los reglamentos del programa de subasta de equipo médico (DMEPOS). | | | | | | | | | |
| 7066.16 | Contractors shall use the following message when returning unassigned NCB claims as unprocessable: 111: Not covered unless the provider accepts assignment. | | X | | | | | | X | |
| 7066.17 | Contractors shall use the following remark and reason codes when denying claims under NCB where a supplier submits a claim for a capped rental item when the payment cap has been reached: B7: This provider was not certified/eligible to be paid for this procedure/service on this date of service. N370: Billing exceeds the rental months covered/approved by the payer. MA 13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code. M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or other Demonstration Project. For more information regarding these projects, contact your local contractor. N211: Alert: You may not appeal this decision MSN 8.73: The claim for this service was processed according to rules of the DMEPOS competitive bidding program. MSN 8.73: La reclamación por este servicio fue procesado según los reglamentos del programa de subasta de equipo médico (DMEPOS). | | X | | | | | | X | |
| 7066.18 | Contractors shall use the following messages to deny claims when a modifier required for NCB is missing from a claim line: | | X | | | | | | X | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|--|---|-------------|--------|---------------------------------|-------------|------------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | <p>4: The procedure code is inconsistent with the modifier use or a required modifier is missing.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 9.2: This item or service was denied because information required to make payment was missing.</p> <p>MSN 9.2: Este artículo o servicio fue denegado porque la información requerida para hacer el pago fue omitida.</p> | | | | | | | | | | |
| 7066.19 | <p>Contractors shall use the following messages to deny claims for a beneficiary residing in a CBA for both the base oxygen equipment and the related oxygen contents received from a non-contract supplier when the rental period for the base oxygen equipment began on or after the start date of the Round One Rebid:</p> <p>96: Non-covered charge(s).</p> <p>M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>N211: Alert: You may not appeal this decision.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|---|---|-------------|--------|---------------------------------|------------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | <p>MSN 8.92: You live in a Competitive Bidding Area and this item must be provided by a Medicare-contract supplier under the DMEPOS competitive bidding program. Medicare won't pay for this item and you shouldn't be billed for this item or service. You don't have to pay this amount. Medicare appeal rights don't apply to this item.</p> <p>MSN 8.92: Usted vive en una zona del programa de subasta de equipo médico y este artículo debe ser provisto por un proveedor que tenga un contrato con Medicare de conformidad con el programa DMEPOS de subasta competitiva. Medicare no pagará por dicho artículo/servicio y a usted tampoco deberían cobrárselo. Usted no tiene que pagar la cantidad mencionada en la factura. Sus derechos de apelación de Medicare no se aplican a este artículo.</p> | | | | | | | | | | |
| 7066.20 | <p>Contractors shall use the following messages to deny oxygen content claims from a non-contract supplier that is not the same non-contract supplier that received the 36th month base oxygen equipment rental payment when the CMN initial date on the base oxygen equipment is prior to the start date of the Round One Rebid and the CBA-residing beneficiary is not traveling:</p> <p>B7: This provider was not certified/eligible to be paid for this procedure/service on this date of service. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.</p> <p>M115: This item is denied when provided to this patient by a non-contract supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (Patient responsibility) group code.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|---|---|-------------|--------|---------------------------------|-------------|---------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | <p>N211: Alert: You may not appeal this decision.</p> <p>MSN 8.78: Medicare has paid for 36 months of rental for your oxygen equipment. Your supplier continues to own the equipment and is required to provide the oxygen equipment and related supplies for up to 2 additional years (5 years total), as long as oxygen is still medically necessary.</p> <p>MSN 8.78: Medicare ha pagado por 36 meses de alquiler de su equipo de oxígeno. Su proveedor continua siendo el dueño del equipo y tiene la obligación de seguir proporcionárselo mientras el equipo funcione o hasta que usted ya no lo necesite.</p> <p>MSN 16.35: You do not have to pay for this amount.</p> <p>MSN 16. 35: Usted no tiene que pagar esta cantidad.</p> | | | | | | | | | | |
| 7066.21 | <p>Contractors shall use the following messages to deny claims for a beneficiary residing in a CBA for portable oxygen equipment that is acquired on or after the start date for the Round One Rebid, when submitted by a non-contract supplier, if the supplier did not furnish the stationary oxygen equipment prior to the start of the National Competitive Bid Round One Rebid (the stationary oxygen equipment is not a grandfathered item):</p> <p>96: Non-covered charge(s).</p> <p>M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>N211: Alert: You may not appeal this decision.</p> <p>MA13: Alert: You may be subject to penalties if you bill</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|--|---|-------------|--------|---------------------------------|-------------|------------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | <p>the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.92: You live in a Competitive Bidding Area and this item must be provided by a Medicare-contract supplier under the DMEPOS competitive bidding program. Medicare won't pay for this item and you shouldn't be billed for this item or service. You don't have to pay this amount. Medicare appeal rights don't apply to this item.</p> <p>MSN 8.92: Usted vive en una zona del programa de subasta de equipo médico y este artículo debe ser provisto por un proveedor que tenga un contrato con Medicare de conformidad con el programa DMEPOS de subasta competitiva. Medicare no pagará por dicho artículo/servicio y a usted tampoco deberían cobrárselo. Usted no tiene que pagar la cantidad mencionada en la factura. Sus derechos de apelación de Medicare no se aplican a este artículo.</p> | | | | | | | | | | |
| 7066.22 | <p>Contractors shall use the following messages to deny claims for a beneficiary residing in a CBA for stationary oxygen equipment that is acquired on or after the start date for the Round One Rebid, when submitted by a non-contract supplier, if the supplier did not furnish the portable oxygen equipment prior to the start of the National Competitive Bid Round One Rebid (the portable oxygen equipment is not a grandfathered item):</p> <p>96: Non-covered charge(s).</p> <p>M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>N211: Alert: You may not appeal this decision.</p> <p>MA13: Alert: You may be subject to penalties if you</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|---------|--|---|-------------|--------|---------------------------------|-------------|------------------------------|-------------|-------------|-------------|-------|
| | | A / B | D M E | F I | C A R R I E R | R H I | Shared-System Maintainers | | | | OTHER |
| | | M A C | M A C | | | | F I S S | M C S | V M S | C W F | |
| | <p>bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> <p>MSN 8.92: You live in a Competitive Bidding Area and this item must be provided by a Medicare-contract supplier under the DMEPOS competitive bidding program. Medicare won't pay for this item and you shouldn't be billed for this item or service. You don't have to pay this amount. Medicare appeal rights don't apply to this item.</p> <p>MSN 8.92: Usted vive en una zona del programa de subasta de equipo médico y este artículo debe ser provisto por un proveedor que tenga un contrato con Medicare de conformidad con el programa DMEPOS de subasta competitiva. Medicare no pagará por dicho artículo/servicio y a usted tampoco deberían cobrárselo. Usted no tiene que pagar la cantidad mencionada en la factura. Sus derechos de apelación de Medicare no se aplican a este artículo.</p> | | | | | | | | | | |
| 7066.23 | <p>Contractors shall use the following messages to deny claims for replacement of an item that is subject to the DMEPOS Competitive Bidding Program when submitted by non-contract suppliers, even when submitted with the "RA" modifier:</p> <p>96: Non-covered charge(s).</p> <p>M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier.</p> <p>M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or a Demonstration Project. For more information regarding these projects, contact your local contractor.</p> <p>N211: Alert: You may not appeal this decision.</p> <p>MA13: Alert: You may be subject to penalties if you bill the patient for amounts not reported with the PR (patient responsibility) group code.</p> | | X | | | | | | X | | |

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | |
|---------|--|---|--------------------------------|--------------------------------|---------------------------------|------------------------------------|---------------------------|-------------|-------------|--|
| | | A / B M A C | D M E M A C | F I R E E R | C A R R I E R | R H I I S S | Shared-System Maintainers | | | |
| | | | | | | F I S S | M C S | V M S | C W F | |
| | <p>MSN 8.92: You live in a Competitive Bidding Area and this item must be provided by a Medicare-contract supplier under the DMEPOS competitive bidding program. Medicare won't pay for this item and you shouldn't be billed for this item or service. You don't have to pay this amount. Medicare appeal rights don't apply to this item.</p> <p>MSN 8.92: Usted vive en una zona del programa de subasta de equipo médico y este artículo debe ser provisto por un proveedor que tenga un contrato con Medicare de conformidad con el programa DMEPOS de subasta competitiva. Medicare no pagará por dicho artículo/servicio y a usted tampoco deberían cobrárselo. Usted no tiene que pagar la cantidad mencionada en la factura. Sus derechos de apelación de Medicare no se aplican a este artículo.</p> | | | | | | | | | |
| 7066.24 | For business requirements 7066.1-7066.23 above, contractors shall assign group code "CO." | | 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 R E E R | C A R R I E R | R H I I S S | Shared-System Maintainers | | | |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 7066.25 | <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.</p> | | X | | | | | | | |

| 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 I | Shared-System Maintainers | | | | OTHER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| | | | | | | | | | | | |

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: |
|---------------------------------------|--|
| 7066.1-8, 7066.10-7066-16 and 7066-18 | These business requirements (BR) replace BRs 6159.1-16 in CR6159. All other BRs in CR 6169 remain in effect. See CR 6159, Transmittal 1542, Pub. 100-04, issued on June 20, 2008 for additional information. |
| 7066.9 | This business requirement replaces BR 6677.2.3.2 in CR 6677. (See CR 6677, Transmittal 590. Pub. 100-20, issued on November 6, 2009.) |
| 7066.17 | See CR 6918, Transmittal 690, issued on April 30, 2010 for additional information. |
| 7066.19 | This business requirement replaces BR 6677.2.3.2 in CR 6677. (See Transmittal 590. Pub. 100-20, issued on November 6, 2009 for additional information.) |
| 7066.20 | See CR 6939, Transmittal 676, issued on April 27, 2010 for additional information. |
| 7066.21-7066.22 | See CR 6934, Transmittal 688, issued on April 29, 2010 for additional information. |
| 7066.23 | See CR 6678, Transmittal 592, issued on November 6, 2010 for additional information. |

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

V. CONTACTS

Pre-Implementation Contact(s): For policy questions, Lorrie Ballantine at Lorrie.Ballatine@cms.hhs.gov or (410) 786- 7543. For claims processing, Tracey Herring at Tracey.Herring@cms.hhs.gov or (410) 786-7169.

Post-Implementation Contact(s):

For policy questions, Lorrie Ballantine at Lorrie.Ballatine@cms.hhs.gov or (410) 786- 7543. For claims processing, Tracey Herring at Tracey.Herring@cms.hhs.gov or (410) 786-7169.

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.