CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 821	Date: December 10, 2010
	Change Request 7189

SUBJECT: Revision to Common Working File (CWF) Edit for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Provided During an Inpatient Stay

I. SUMMARY OF CHANGES: This change request (CR) instructs the CWF maintainer to change the current CWF DA02 edit for DMEPOS provided during an inpatient stay from an alert code to a reject. This change will allow the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) the opportunity to deny the DMEPOS claims subject to this edit before they are finalized, as appropriate, to avoid future overpayments.

EFFECTIVE DATE: April 1, 2011
IMPLEMENTATION DATE: April 4, 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):
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: 821	Date: December 10, 2010	Change Request: 7189

SUBJECT: Revision to Common Working File (CWF) Edit for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Provided During an Inpatient Stay

Effective Date: April 1, 2011
Implementation Date: April 4, 2011

I.   GENERAL INFORMATION

A.   Background:

In 2007, the Recovery Audit Contractors (RAC) alerted the Centers for Medicare & Medicaid Services (CMS) of an overpayment case involving approximately 5,000 claims for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). The claims were for beneficiaries who received DMEPOS items while in an inpatient stay in a hospital. The payments associated with these claims are considered overpayments because Medicare does not allow separate payment for DMEPOS when a beneficiary is in a covered inpatient stay.

The contractors discovered that many of the claims were returned with the DA02 alert code from the Common Working File (CWF) with the claim already paid/finalized at CWF. The DA02 alert code indicates that a claim for DMEPOS items with service dates that overlap an inpatient stay has been detected. Currently, these claims pay and adjustments are done to recoup the payments.

This change request (CR) instructs the CWF maintainer to change the current CWF DA02 edit for DMEPOS provided during an inpatient stay from an alert code to a reject. This change will allow the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) the opportunity to deny the DMEPOS claims subject to this edit before they are finalized, as appropriate, to avoid future overpayments.

B.   Policy:

Medicare does not allow separate payment for DMEPOS when a beneficiary is in a covered inpatient stay. Effective April 1, 2011, the CWF Maintainer will change the DA02 edit for DMEPOS provided during an inpatient stay from an alert code to a reject. Contractors will review these claims and deny them, as appropriate.

II.   BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
7189.1	Effective for claims processed on or after April 4, 2011, the CWF Maintainer shall change the DA02 edit for DMEPOS provided during an inpatient stay from an alert code to a reject.									X	
7189.2	The CWF shall create a new override capability for the new reject code specified in 7189.1.									X	
7189.2.1	Contractors shall use the override capability only as specified by CMS.		X								
7189.3	Effective for claims processed on or after April 4, 2011, the CWF shall reject a claim for DMEPOS when the date of service of the claim overlaps the date of service of an inpatient stay for the same beneficiary.									X	
7189.4	Effective for claims processed on or after April 4, 2011, contractors shall deny claims for DMEPOS furnished to a beneficiary who was in an inpatient stay in a hospital.								X	X	
7189.5	Contractors shall assigned group code CO – contractual obligation (provider liability).		X								
7189.6	Contractors shall use the following reason and remark code when denying claims: Reason Code 97 -The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present. Remark Code M2 – Not paid separately when the patient is an inpatient.		X								
7189.7	Contractors shall use the following Medicare Summary Notice Messages: 8.46 - Payment is included in the allowance for another item or service provided at the same time. 8.46 - El pago fue incluido en otro artículo o servicio proporcionado al mismo tiempo.		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: 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): Please contact Bobbett Plummer at Bobbett.Plummer@cms.hhs.gov or (410) 786-3321.

Post-Implementation Contact(s): Please contact Bobbett Plummer at Bobbett.Plummer@cms.hhs.gov or (410) 786-3321.

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.