

Notifying Affected Parties Regarding Changes to the Mandatory Medigap ("Claim-Based") Crossover Process (CR5662)

B. Policy: The Centers for Medicare & Medicaid Services (CMS) has decided that, effective October 1, 2007, all mandatory Medigap ("claim-based") crossovers will now be accomplished through its Coordination of Benefits Contractor (COBC). Further, CMS has decided that, in accordance with Public Law 104-191 and 45 *Code of Federal Regulations* (CFR) 160, it will **only** cross claims over to claim-based Medigap recipients in the Health Insurance Portability and Accountability Act (HIPAA) American National Standards Institute (ANSI) X12-N 837 professional (version 4010A1) coordination of benefits (COB) claim format or in the National Council for Prescription Drug Programs (NCPDP) version 5.1 batch standard 1.1 format. (**NOTE:** The systematic requirements relating to this transition were communicated via Transmittal 1242, change request (CR) 5601.)

Starting with June 2007, CMS' COBC will gradually begin to assign new Medigap claim-based COBA identifiers (range 55000 to 59999) to Medigap insurers that have not voluntarily moved to the COBA eligibility file-based crossover process following their execution of a national crossover agreement. CMS anticipates that the COBC will complete this process by August 31, 2007. As the COBC assigns a new COBA Medigap claim-based ID to a Medigap claim-based crossover recipient, CMS will alert all Part B contractors, including MACs, and DMACs via e-mail of this action on a weekly basis. The CMS alert will include the following information: affected entity's name; the entity's multiple formerly assigned Other Carrier Name and Address (OCNA) or N-key identifiers; and its newly assigned COBA Medigap claim-based ID. Upon receipt of the CMS alert, the affected contractors shall manually add the newly assigned COBA Medigap claim-based ID to their existing insurer screens or tables to replace the formerly assigned OCNA or N-key identifier. Contractors shall also maintain a link to the COB website (www.cms.hhs.gov/COBAgreement) for purposes of receiving updates to the COBA Medigap claim-based ID listing. During the interim period (June through September 2007), contractors are not expected to add COBA Medigap COBA IDs to their internal insurer screens/tables for Medigap insurers for which they previously did not establish an OCNA or N-key identifier. As appropriate, the CMS will issue a future instruction that addresses the contractors' requirement to add the balance of the COBA Medigap claim-based IDs, with accompanying insurer names, to their internal insurer screens/tables, with this action being accomplished following the implementation of the new COBA Medigap claim-based crossover process on October 1, 2007.

The affected contractors shall post CMS' Medigap claim-based crossover transition announcement in its entirety on their websites that are accessed by the public and insurers. These contractors shall also mail the CMS announcement on a one-time basis to their electronic Medigap claim-based crossover recipients. Those contractors that send paper claims, known as "Notices of Medigap Claims Information" (NOMCIs), to their Medigap insurers shall, at the next scheduled claims delivery date, include with those claims a separate notification (an envelope stuffer would be acceptable) that includes the following informational blurb: "NOTICE: Please see the following website to learn about changes that you will be required to make to ensure your

continued receipt of Medicare crossover claims: <http://www.medicarenhic.com/dme/>”

Part B contractors, including MACs, and DMACs shall inform their providers and suppliers of the changes to the Medigap claim-based crossover process via their next regularly scheduled provider bulletins. The affected contractors shall include the following language within their next regularly scheduled provider bulletin: “CMS’ Coordination of Benefits Contractor (COBC) will assume responsibility for the Medigap claim-based crossover, which is driven by information that participating providers enter on the incoming claim, effective October 1, 2007. During June through August 2007, CMS will assign each Medigap insurer that does not provide an eligibility file to the COBC to identify all of its covered policy or certificate holders for crossover purposes a new 5-digit Medigap identifier (ID). Providers may reference a weekly updated listing of the newly assigned COBA Medigap claim-based IDs on CMS’ Coordination of Benefits website at: http://www.cms.hhs.gov/COBAgreement/Downloads/Medigap_Claim-based_COBA_IDs_for_Billing_Purpose.pdf. Once the COBC has assigned a new COBA Medigap claim-based ID to a Medigap insurer, participating providers that wish to trigger crossovers to Medigap insurers will be required to include that new identifier, as found on the CMS COB website, on their incoming Medicare claims. Failure to do so will result in their claims not being successfully crossed over to the Medigap insurer. If the older contractor-assigned number is included on the claim, Medicare will include the standard MA19 message—‘Information was not sent to the Medigap insurer due to incorrect/invalid information you submitted concerning the insurer. Please verify your information and submit your secondary claim directly to that insurer.’—on the provider’s electronic remittance advice (ERA) or other production remittance advice for the associated claim(s). Participating providers that are permitted under Administrative Simplification Compliance Act (ASCA) to bill Medicare on paper should include the newly assigned 5-digit COBA Medigap claim-based ID within block 9-D of the CMS-1500 claim form. Providers that are required to bill Medicare electronically using the Health Insurance Portability and Accountability Act (HIPAA) American National Standards Institute (ANSI) X12-N 837 professional claim shall include the newly assigned 5-byte only COBA Medigap claim-based ID (range=55000 to 59999) left-justified in field NM109 of the NM1 segment within the 2330B loop and followed by spaces. **(See important note that follows regarding the submission of claims to Durable Medical Equipment Medicare Administrative Contractors [DMACs].)** Retail pharmacies that bill National Council for Prescription Drug Programs (NCPDP) batch claims to Medicare shall include the newly assigned Medigap identifier left-justified within field 301-C1 of the T04 segment of their incoming NCPDP claims and followed by spaces. **IMPORTANT:** For all of the claim submission situations discussed above, suppliers (including retail pharmacies) that bill DMACs must include an accompanying 4-byte “Z001” identifier with the newly assigned COBA Medigap claim-based crossover ID (for example, 55000Z001) when seeking to trigger Medigap claim-based crossovers during the interim transitional period, which runs from June through September 30, 2007. Providers should notify their clearinghouses and billing vendors of the impending changes to the existing Medigap claim-based crossover process as soon as possible.” In addition, contractors shall include the link to the URL where they post the Medigap transitional announcement (see Attachment A) along with the foregoing language within their next regularly scheduled provider bulletin.

