

## What's New with the Medicare Program Keeping Up with DME MAC Changes

DME MAC Outreach &  
Education Department

For Training Purposes Only  
April 21, 2008 - June 12, 2008

**NHIC, Corp.**

A CMS MEDICARE ADMINISTRATIVE CONTRACTOR



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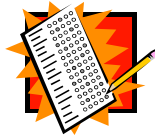
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## Pre-Test



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## Disclaimer

This information is current as of April 2008.  
Any additional updates will be provided  
during the seminar.

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## Disclaimer

This seminar handout is meant as only an outline of the full seminar presentation. Additional information and discussion provided during the seminar will accompany these materials for a complete educational session. Use of these materials by entities other than NHIC, Corp. DME MAC Jurisdiction A may not fully reflect the educational intent for which they were developed.

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## Agenda

- Where in the Medicare World Do These Changes Come From?
- Recent Changes/Updates
- Important Reminders
- DME MAC Resources
- Open Discussion

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Where in the Medicare World Do These Changes Come From?



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## Where in the Medicare World Do These Changes Come From?

### CMS

- Administers regulations and billing instructions to which providers and suppliers must adhere
  - Change Request (CR)/Program Transmittal
  - Medicare Learning Network (MLN) Matters Articles
  - Joint Signature Memorandum (JSM)
- <http://www.cms.hhs.gov>

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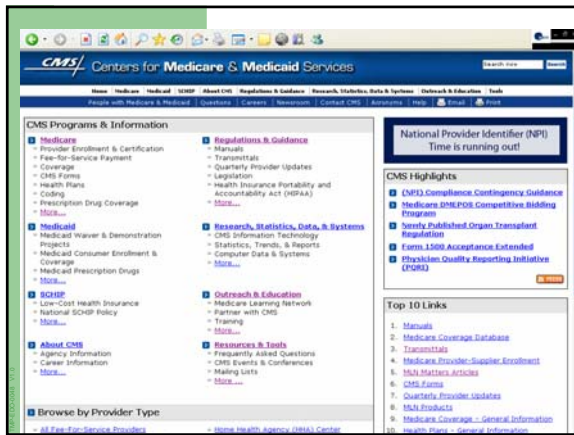
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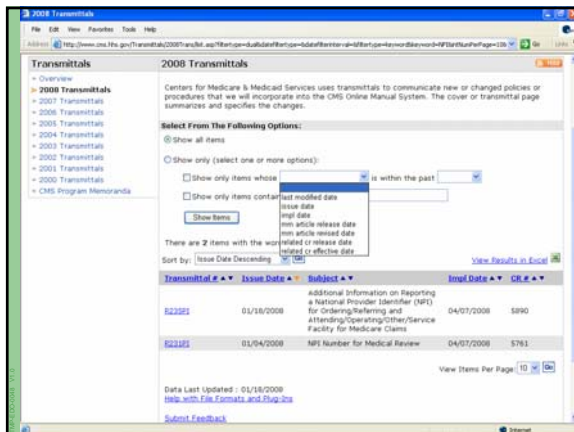
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**Recent Changes/Updates**



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**Topics**

- Coordination of Benefits (COB)
- Modifiers & Coding
- National Coverage determinations (NCDs)
- Medical Review (MR)
- Appeals
- National Provider Identifier (NPI)
- Common Electronic Data Interchange (CED) & Electronic Data Interchange (EDI)
- Accreditation
- Competitive Bidding
- Miscellaneous Changes
- Routine Changes/Updates
- Jurisdiction A Changes/Updates
- DME MAC Resources
- Open Discussion

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**Coordination of Benefits (COB)**

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## Coordination of Benefits

### CR 5780

- **Crossover of Assignment of Benefits Indicator From Paper Claim Input**

- Item 13 - The presence of or lack of a signature or "signature on file" in this field will be indicated as such to any Coordination of Benefits trading partners (supplemental insurers) with whom we have a payer-to-payer coordination of benefits relationship

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## Coordination of Benefits

### CR 5837

- **Clarification Regarding the Coordination of Benefits Agreement (COBA) Medigap Claim-based Crossover Process**

- For Medicare payment data to be forwarded to a Medigap insurer through the Medigap claim-based crossover process
  - The participating supplier must accurately complete all of the information in items 9, 9a, 9b, and 9d on the 1500 form or electronic equivalent

<http://www.cms.hhs.gov/COBAgreement/>

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## Modifiers & Coding



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## Modifiers & Coding

### CR 5805

- **Q0** - Investigational clinical service provided in a clinical research study that is in an approved clinical research study
  - **Q0** replaces **QA** and **QR**
- **Q1** - Routine clinical service provided in a clinical research study that is in an approved clinical research study
  - **Q1** replaces **QV**

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## Modifiers & Coding

### CR 5790

- **Use of an 8-Digit Registry Number on Clinical Trial Claims**
  - Medicare claim forms will be modified to accommodate the 8-digit clinical trial number for claims received on or after April 1, 2008
    - DME clinical trial claims are identified through the presence of all of the following elements:
      - ICD-9 diagnosis code V70.7
      - HCPCS modifier **Q1**, and
      - 8-digit clinical trial number (when present on the claim)

<http://www.clinicaltrials.gov/>

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## Modifiers & Coding

### CR 5900

- **New "K" Code for Replacement Interface Material**
  - **K0672** - Addition to lower extremity orthosis, removable soft interface, all components, replacement only, each

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## Modifiers & Coding

### JSM 08165

- Revised 2008 Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule Files - Correction
- The HCPCS code **E0461** was inadvertently omitted from these files
  - January 2008 DMEPOS fee schedule files are being revised to add fee schedule amounts for HCPCS code **E0461**

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## National Coverage Determinations (NCDs)

## National Coverage Determinations (NCDs)

### CR 5820

- CMS determines that no NCD is appropriate at this time for nebulized beta adrenergic agonist therapy for lung disease, decisions will continue to be made through a Local Coverage Determination (LCD) process or case-by-case adjudication

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## National Coverage Determinations (NCDs)

### CR 5916

- **Adjudicating Claims for Immunosuppressive Drugs When Medicare Did Not Pay for the Original Transplant**

- Claims submitted on and after July 1, 2008, for immunosuppressive drugs to a Medicare beneficiary, after an organ transplant
  - Secure from the prescribing physician the date of such organ transplant
  - Retain documentation of such transplant date in its files, **and**
  - Add the "KX" modifier to the drug to signify both that the supplier retains documentation of the beneficiary's transplant date and that such transplant date precedes the date of service

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## Medical Review



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## Medical Review

### CR 5909

- The Medical Review (MR) functions that were the responsibility of the DME Program Safeguard Contractors (PSCs) have been transitioned to the DME MACs

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## Medical Review

- Formerly known as TriCenturion or Program Safeguard Contractor (PSC)
- MR functions handled by the DME MACs include:
  - MR functions as outlined in *MLN Article 5765* and *Medicare Program Integrity Manual (PIM)*, Chapter 5
  - CERT (Comprehensive Error Rate Testing)
  - LCDs (Local Coverage Determinations)

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## Medical Review

- ADMC (Advance Determination of Medicare Coverage)
  - Healthcare Common Procedure Coding System (HCPCS)
  - Medical Review Claim Edits
  - Probe Reviews
  - Medical Review of Claims
- Transition did not include Benefit Integrity

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## Appeals

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## Appeals

### CR 5836

- **Modification to the Reconsideration Request Form that is included with the Medicare Redetermination Notice (for unfavorable redeterminations)**

- Suppliers must complete items 1, 2a, 6, 7, 11, and 12 on the Reconsideration Request Form

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## Appeals

### CR 5897

- **Change in the Amount in Controversy Requirement for Administrative Law Judge Hearings and Federal District Court Appeals**

- The amount in controversy requirement for requests on or after January 1, 2008:
  - Administrative Law Judge hearing is \$120
  - Federal District Court is \$1,180

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## National Provider Identifier (NPI)

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## NPI

### SE 0751

- **Clarification on the National Provider Identifier (NPI) Enumerator's Responsibilities**

- The NPI Enumerator is responsible for assisting health care providers in applying for their NPIs and updating their information in the National Plan and Provider Enumeration System (NPES)

<http://www.cms.hhs.gov/NationalProviderStand/>

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## NPI

### CR 5858

- **Medicare Legacy Provider IDs Prohibited on Form CMS-1500 Claims after NPI Required Date (May 23, 2008)**

- **N257** *Missing/incomplete/invalid billing provider primary identifier*

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## NPI

- **CR 5726** - Rejection of Electronic Claim Status Requests that Lack NPIs

- **CR 5716** - NCPDP Inbound Claim and COB Companion Documents Updated for NPI Reporting

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## NPI

- **CR 5674** - How to Handle the National Provider Identifier (NPI) for Ordering/ Referring and Attending/Operating/Other/ Service Facility for Medicare Claims
- **CR 5890** - Additional Information on Reporting a National Provider Identifier (NPI) for Ordering/Referring and Attending/Operating/Other/Service facility for Medicare Claims
  - Legacy numbers cannot be reported on any claims sent to Medicare on or after May 23, 2008

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## NPI

As of March 1, 2008 - 837P and 1500 Claims Primary Provider Fields		
Legacy Medicare Identifier	NPI	Result
X		Claim will be rejected
X	X	Claim will be paid as long as there is an NPI/legacy match on the NPI Crosswalk*
	X	Claim will be paid as long as there is an NPI/legacy match on the NPI Crosswalk*
May 23, 2008 and Beyond - All Providers, All Transactions Both Primary and Secondary Provider Fields		
Legacy Medicare Identifier	NPI	Result
X		Claim/transaction will reject
X	X	Claim/transaction will reject
	X	Claim/transaction will be paid/processed as long as there is an NPI/legacy match on the NPI Crosswalk*

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## Common Electronic Data Interchange (CEDi) & Electronic Data Interchange (EDI)

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## CEDI

### CR 5755

- This change request describes the requirements for VIPs to work with the CEDI contractor to develop the VMS system changes necessary to prepare for the implementation of the DME MAC CEDI front end

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## CEDI

### • CEDI Responsibilities

- Accepting electronic submission of all DME MAC claims and forwarding to the appropriate DME MACs
- Changes to EDI trading partner (submitter) information, including passwords
- Delivery of all electronic front end reports
- Electronic Remittance Advice enrollment, changes to enrollment and delivery of ERA files

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## CEDI

### • CEDI Contact Information

- CEDI Website
  - <http://www.ngscedi.com>
- CEDI Help Desk
  - 866-311-9184
  - Hours of Operation 9:00a.m. - 9:00p.m. EST
  - [ngs.CEDIHelpdesk@wellpoint.com](mailto:ngs.CEDIHelpdesk@wellpoint.com)



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## EDI

### • EDI Responsibilities

- VPIQ applications
  - Online claim status and eligibility
  - <http://www.medicarenhic.com/dme/vpiq.shtml>
- Electronic funds transfer (EFT) applications
  - Allows the transfer of Medicare payments directly from Medicare to a provider's bank account
  - <http://www.medicarenhic.com/dme/ef.shtml>
- Administrative Simplification Compliance Act (ASCA enforcement)

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## EDI

### • EDI Contact Information

- EDI Help Desk (866-563-0049)
  - Monday - Friday 9:00.am. - 5:00p.m. EST
- EDI Web site
  - [http://www.medicarenhic.com/dme/dme\\_edi.shtml](http://www.medicarenhic.com/dme/dme_edi.shtml)



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## Accreditation

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## Accreditation

- All DMEPOS suppliers must comply with the quality standards in order to retain a supplier billing number and to receive Medicare Part B payment

<http://www.cms.hhs.gov/MedicareProviderSupEnroll/>

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## Accreditation

- There are 10 Accrediting Organizations (AOs) that have been deemed to accredit DMEPOS suppliers using CMS' quality standards
- The AOs are listed under the Medicare Provider Enrollment website

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## Accreditation

### DMEPOS Supplier Deadlines:

- **March 1, 2008:** DMEPOS suppliers must be accredited if a completed, enrollment application was not submitted to the National Supplier Clearinghouse (NSC)
- **January 1, 2009:** Accreditation deadline for DMEPOS suppliers who submit an enrollment application to the NSC between January 1 & February 29, 2008
- **September 30, 2009:** Date by which all DMEPOS suppliers will have to become accredited

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## Competitive Bidding

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## Competitive Bidding

### Competitive Bidding and Accreditation

- To participate in the Medicare (DMEPOS) Competitive Bidding Program, suppliers must meet quality standards and be accredited by a CMS-approved AO
- Suppliers that are interested in bidding in the second round of the program must be aware of two key deadlines:
  - May 14, 2008 - Must be accredited or have applied for accreditation to submit a bid for the second round of competitive bidding
  - October 31, 2008 - Must be accredited to be awarded a contract

**\*Apply immediately for accreditation to allow adequate time to process applications**

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## Competitive Bidding

### Metropolitan Statistical Areas (MSAs)

<u>Northeast</u>
Allentown-Bethlehem-Easton, PA-NJ
Bridgeport-Stamford-Norwalk, CT
Hartford-West Hartford-East Hartford, CT
New Haven-Milford, CT
New York-Northern New Jersey-Long Island, NY-NJ-PA
Scranton-Wilkes-Barre, PA
Syracuse, NY

CMS plans to announce the MSAs by zip code in which competitive bidding will be conducted in the next few months

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## Competitive Bidding

### Resources

- Competitive Bidding Program Helpline
  - 1-877-577-5331
- Competitive Bidding Program Web site
  - <http://www.dmecompetitivebid.com>
- CMS Competitive Bidding Web site
  - <http://www.cms.hhs.gov/CompetitiveAcqforDMEPOS/>

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## Miscellaneous Changes/Updates



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## Miscellaneous Changes

### SE 0750

- Centers for Medicare & Medicaid Services (CMS) Seeks Provider Input on Satisfaction with Medicare Fee-for-Service Contractor Services
  - Medicare Contractor Provider Satisfaction Survey (MCPSS)
    - <http://www.cms.hhs.gov/MCPSS>

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## Miscellaneous Changes

### SE 0745

- **Skilled Nursing Facility (SNF) Definition Used in Determining DME Coverage**

- The definitions of SNFs and NFs
- The policies applicable to restricting payment for DME coverage in SNFs
- The definition of the benefit period and of how one benefit period ends and another begins, especially as it applies to residents of SNFs

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## Miscellaneous Changes

### CR 5816

- **Support Income Tax Reporting**

- Issue to every supplier paid under contract a 1099 and/or any other forms required for income tax and reporting purpose
- Comply with Form 1099 rules, regulations, procedures and instructions as published, and
- Report all payments made to suppliers during the previous year

<http://www.irs.gov>

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## Miscellaneous Changes

### SE 0738

- **Medicare Covered Diabetes Supplies and Services**

- Blood glucose self-testing equipment and supplies
- Therapeutic shoes and inserts
- Insulin pumps and the insulin used in the pumps

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## Miscellaneous Changes

### SE 0738 (continued)

#### • Blood Glucose Self-testing Equipment and Supplies

- Blood glucose monitors
- Blood glucose test strips
- Lancet devices and lancets
- Glucose control solutions for checking the accuracy of testing equipment and test strips

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## Miscellaneous Changes

### SE 0738 (continued)

#### • Therapeutic Shoes and Inserts

- One pair of depth-inlay shoes **and** three pairs of inserts, **or**
- One pair of custom-molded shoes (including inserts) **and** two additional pairs of inserts
- One pair per calendar year

**Note:** In certain cases, Medicare may also cover shoe modifications instead of inserts

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## Miscellaneous Changes

### CR 5777

#### • New Place of Service (POS) Code for Temporary Lodging

- POS Code 16 for temporary lodging
- Effective for claims submitted on or after April 1, 2008

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## Miscellaneous Changes

### CR 5770

- **Handling Personally Identifiable Information (PII) on the Medicare Summary Notice (MSN)**

- When the Health Insurance Claim Number (HICN) and name of the beneficiary do not match on the submitted claim, the claim will be returned to the provider as unprocessable
  - Reason Code 140 (Patient/Insured health identification number and name do not match)

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## Miscellaneous Changes

### CR 5770 (continued)

- **Handling Personally Identifiable Information (PII) on the Medicare Summary Notice (MSN)**

- Effective January 7, 2008, on **ALL MSNs**, the first 5 digits of the HICN will be replaced with "XXX-XX" to avoid displaying the Medicare beneficiary's personally identifiable information (PII)

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## Routine Changes/Updates



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## Routine Changes/Updates

### CR 5830

- **Update to Medicare Deductible, Coinsurance and Premium Rates for 2008**
  - 2008 Deductible - \$135.00/year
  - 2008 Coinsurance - 20%

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## Routine Changes/Updates

### CR 5800, CR 5942

- **Remittance Advice Remark Code (RARC) and Claim Adjustment Reason Code (CARC) Update**
  - Updated three (3) times a year
  - Must use the latest approved and valid codes

<http://www.cmsremarkcodes.info/>

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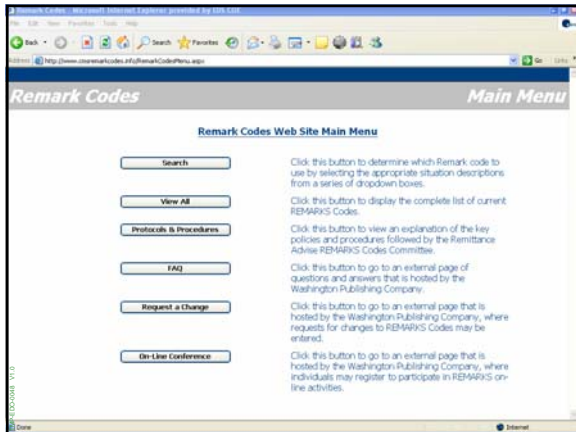
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## Routine Changes/Updates

**CR 5947**

- **Claim Status Category Code and Claim Status Code Update**
  - <http://www.wpc-edi.com>

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## Routine Changes/Updates

**CR 5829**

- **Annual Update of Healthcare Common Procedure Codes System (HCPCS) Codes Used for Home Health Consolidated Billing Enforcement**
  - [http://www.cms.hhs.gov/HomeHealthPPS/03\\_coding&billing.asp](http://www.cms.hhs.gov/HomeHealthPPS/03_coding&billing.asp)

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## Routine Changes/Updates

### Quarterly/Annual Fee Schedule Updates

- **CR 5803** - Annual Update for 2008 DMEPOS
- **CR 5740** - Reasonable Charge Update for 2008 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, and Certain Intraocular Lenses
- **CR 5852** - January 2008 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File
- **CR 5982** - April 2008 Quarterly ASP Medicare Part B Drug Pricing

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## Routine Changes/Updates

### CR 5753

- The Medicare contractors shall implement an interest rate of **12.125%** effective **January 18, 2008** for Medicare overpayments and underpayments

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## Jurisdiction A Changes/Updates



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## Jurisdiction A Changes/Updates

### Telephone Reopening Process

- A new telephone number **317-595-4371**
- Benefits of the new telephone reopenings process:
  - Suppliers will be directly connected to a reopenings representative
  - Faster Payments
  - Reopenings Status
- The fax reopening process is still available and has not been affected by this change

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## Jurisdiction A Changes/Updates

- New Interactive Voice Response (IVR) Application and Direct Access Customer Service Phone Number
  - A telephone number has been established to contact Customer Service Representatives directly for those inquiries that cannot be addressed by the IVR
  - **866-590-6731**
  - Additional information and an IVR guide is located at: <http://www.medicarenhic.com/dme/contacts.shtml>

\* The IVR number remains 866-419-9458

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## DME MAC A Resources



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## DME MAC A Resources

### • Customer Service

- Provider IVR: **866-419-9458**
  - Claim information
  - Patient eligibility
  - CMN status information
  - Financial information
  - Pricing and Appeals information
  - General information
- Provider CSR: **866-590-6731**
- Beneficiary: **1-800-MEDICARE (1-800-633-4227)**



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## DME MAC A Resources

### • Provider Outreach & Education

- Outreach Specialists: **781-741-3950**

### • DME MAC A Web site

- <http://www.medicarenhic.com/dme>



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## DME MAC A ListServes

### • What is a ListServe?

- Email account that provides an opportunity for subscribers to receive reminders and announcements
- Benefits of a ListServe - Be the first to:
  - Know important and time-sensitive Medicare program information and other important or urgent DME MAC A announcements
  - Learn about upcoming educational opportunities and training events
  - Know when our quarterly bulletins become available

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**Open Discussion**



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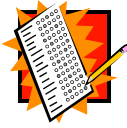
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**Post-Test**



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**Evaluations**

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