
Medicare

Carriers Manual

Part 3 - Claims Process

Department of Health &
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<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
4021	4-20.17 – 4-20.18 (2pp.)	4-20.17 – 4-20.18 (2pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: October 1, 2002*
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Section 4021, “The “Do Not Forward” Initiative”, is being revised to bring the section in line with Chapter 10, §3.4 of the Program Integrity Manual and Program Memorandum, Transmittal B-02-023, dated April 12, 2002.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

4021. THE “DO NOT FORWARD” (DNF) INITIATIVE

This initiative entails the use of “Return Service Requested” envelopes to preclude the forwarding of Medicare checks to locations other than those recorded on the Medicare provider files. The use of these envelopes permit the U.S. Postal Service to return Medicare checks to local carriers and durable medical equipment regional carriers (DMERCs) free of charge, as the postal service has done for the DMERCs since February 1997.

A. Returned Check Process for Carriers and DMERCs. --CMS requires carriers and DMERCs to use “Return Service Requested” envelopes for all checks **and remittance advices** they mail to providers and suppliers. Carriers and DMERCs must be in compliance with postal regulations when **developing their DNF envelopes.**

Carriers and DMERCs must sort outgoing mail to identify provider or supplier checks, and must place these checks and remittance advices in “Return Service Requested” envelopes. The postal service will forward checks to beneficiaries.

When the check or remittance advice is returned, if applicable, the postal service will provide the carrier or DMERC with a new address or reason for non-delivery. If the postal service supplies a carrier or DMERC with a new address for the provider or supplier with the returned check, do not automatically change the address of the provider or supplier or re-mail the check or remittance advice. (See the change of address process described below.)

Once the post office returns an envelope, record the check number and any correspondence in the envelope, using your normal procedures for incoming mail. For example, microfiche and photocopy **the mail. Carriers and DMERCs must also log and account for the checks, noting pertinent information, such as the provider or supplier’s name and number, date of the check, the check number, the amount of the check, and the date the check was returned.**

The carrier’s or DMERC’s financial staff must either reissue the check based upon receipt of an updated, verified address, or systematically cancel the returned check and notify the provider **enrollment staff that a provider must be flagged DNF. The provider enrollment staff or National Supplier Clearinghouse (NSC) must annotate the provider or supplier’s file with a DNF flag, pending receipt of a verified address.**

Carriers and DMERCs must process through CWF and finally adjudicate any subsequent claims a DNF flagged provider or supplier submits. Do not treat a claim as dirty solely because the DNF flag has been set. For claims processing purposes, use the address you have on file to finally adjudicate claims submitted by DNF flagged providers and suppliers.

Do not issue any additional checks for a DNF flagged provider or supplier until the provider/supplier submits a CMS-855 and the provider enrollment unit or NSC has processed it. For those providers/suppliers who have never completed an enrollment form, they must complete one in order to change a pay-to address. Follow procedures outlined in the Program Integrity Manual (PIM), Chapter 10, and § 4F. If the provider/supplier has already completed an enrollment application, they can make an address correction on the appropriate CMS-855 form.

Once the provider enrollment area or NSC processes the form, the DNF flag must be removed. Calculate processing time for workload reporting and interest payments, if applicable, based on the date the claim would have been paid if the provider record was not flagged DNF.

In addition, provider enrollment staff must alert the benefit integrity staff in the event that any investigations are currently taking place, which are affiliated with flagged providers or suppliers. Implement a standardized reporting format for this process.

B. Change of Address Process for Local Carriers and DMERCs--When a flagged provider or supplier notifies you that they have not received their checks, direct them to your provider enrollment staff or the NSC. The provider or supplier must request a copy of the appropriate CMS-855 form, as outlined in the PIM, Chapter 10, §3.4.

Once the provider enrollment staff or NSC completes processing the appropriate CMS-855, they must update the address for the provider/supplier and remove the DNF flag.

Provider enrollment staff must send a daily report to financial staff, advising which providers and suppliers are no longer flagged DNF. Once the DNF flag is removed, reissue monies due the provider or supplier for claims that were finally adjudicated but payments withheld because of the DNF flag.