Program Memorandum Carriers

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Transmittal B-03-050 **Date: JULY 3, 2003**

CHANGE REQUEST 2758

SUBJECT: Multiple Primary Payers on Part B Claims - REVISION TO Change Request 2050

I. GENERAL INFORMATION

The HPBSS shared system and associated carriers are waived from implementing this instruction due to their transition to the MCS.

A. Background:

Transmittal AB -03-011, Change Request 2050, Subject: Identifying the Primary Payer Amounts to Send to the Medicare Secondary Payer Pay Module (MSPPAY) and the Shared Systems When There Are Multiple Primary Payers on Electronic and Hardcopy Claims, published February 3, 2003, provided instructions for intermediaries and carriers on:

(1) Handling Medicare Secondary Payer (MSP) electronic claims with multiple primary payers, and

(2) Billing instructions for use in educating providers, physicians and suppliers about coding MSP amounts on the ANSI X12N 4010 837 and on hardcopy claims when there are multiple primary payers.

The transmittal provided specific instructions for physicians and suppliers to submit electronic MSP claims with multiple primary payers when there is only one insurance type code identified for both payers. After the Program Memorandum (PM) was published, concerns were raised as to whether the 837 was able to support all the MSP data necessary for Medicare carriers to process claims with multiple primary payers. One concern is that the insurance type codes in the 2320 SBR05 do not match, or crosswalk to, the insurance type codes found in 2000B SBR05. The second concern is the 837 does not have line-level fields at the insurer level to report multiple primary payer paid, allowed and Obligated to Accept as Payment in Full (OTAF) amounts. All line-level MSP monies occur one time per service line. It is determined that the 837 version 4010 cannot support MSP claims with multiple primary payers and that all claims with multiple primary payers can only be submitted on paper.

This PM instructs physicians and suppliers that MSP claims with multiple primary payers shall be submitted on paper with the appropriate explanation of benefits, or remittance advice, and shall not be submitted electronically.

B. Policy: Physician and Supplier Instruction

1. When Medicare is the Secondary Payer Following One Primary Payer

There are situations where one primary payer pays on a Medicare Part B claim and Medicare may make a secondary payment on the claim. Physicians and suppliers must comply with Section 1.4.2, titled "Coordination of Benefits," found in the 837 version 4010 Professional Implementation Guide (IG) regarding the submission of Medicare beneficiary MSP claims (The IG can be found at http://hipaa.wpc-edi.com/HIPAA_40.asp). Providers must follow model 1 in section 1.4.2.1 that discusses the provider-to-payer-to-provider methodology of submitting electronic claims. Providers must use the appropriate loops and segments to identify the other payer paid amount, allowed amount, and the obligated to accept payment in full amount on the 837.

Primary Payer Paid Amount:

For line level services, physicians and suppliers must indicate the primary payer paid amount for that service line in loop ID 2430 SVD02 of the 837.

For claim level information, physicians and suppliers must indicate the other payer paid amount for that claim in loop ID 2320 AMT02 AMT01=D of the 837.

Primary Payer Allowed Amount:

For line level services, physicians and suppliers must indicate the primary payer allowed amount for that service line in the Approved Amount field, loop ID 2400 AMT02 segment with AAE as the qualifier in the 2400 AMT01 segment of the 837.

For claim level information, physicians and suppliers must indicate the primary payer allowed amount in the Allowed Amount field, Loop ID 2320 AMT02 AMT01 = B6.

Obligated to Accept as Payment in Full Amount (OTAF):

For line level services, physicians and suppliers must indicate the OTAF amount for that service line in loop 2400 CN102 CN 101 = 09. The OTAF amount must be greater than zero.

For claim level information, physicians and suppliers must indicate the OTAF amount in loop 2300 CN102 CN101 = 09. The OTAF amount must be greater than zero.

2. When Medicare is the Secondary Payer Following Two Primary Payers

Submission of Hardcopy MSP Claims With Multiple Primary Payers

There may be situations where more than one primary insurer to Medicare makes payment on a claim; for example, an employer group health plan makes a primary payment for a service and, subsequently, another group health plan also makes a primary payment for the same service. Claims with multiple primary payers cannot be sent electronically to Medicare. A hardcopy claim must be submitted on Form CMS-1500. Physicians and suppliers must attach the other payers' EOB, or remittance advice, to the claim when sending it to Medicare for processing.

II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
2758.1	Carriers/DMERCs must inform affected provider communities by posting the "Physician and Supplier Instructions," found under section B of this instruction, on their websites within one week of receiving this instruction. If you have a listserv that targets the affected provider communities, you must use it to notify subscribers that information about 'Multiple Primary Payers on Carrier Claims' is available on your Web site.	Carriers DMERCs
2758.2	The "Physician and Supplier Instructions" must be published in your next regularly scheduled bulletin	Carriers DMERCs
2758.3	The Medicare carrier systems shall accept multiple primary payer MSP claims on paper.	VMS MCS
2758.4	The Medicare carriers shall accept 837 MSP electronic claims with one payer primary to Medicare.	VMS MCS
2758.5	Use reason code 94 on the remittance advice if payment is in excess of submitted charges on claims with multiple primary payers.	Carriers DMERCs
2758.6	A separate instruction will be issued for the creation of EDI edits to reject electronic claims with multiple primary payers.	VMS MCS

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces:

D. Contractor Financial Reporting /Workload Impact:

E. Dependencies: In transmittal AB-03-011, disregard under the Part B instructions, under MSP claims submissions, the sections titled "Submission of Electronic MSP claims with Multiple Primary Payers, but with only one Insurance Type Code" and "Instructions to Physicians and Suppliers." The remaining sections in the transmittal are still valid instructions and shall be followed when processing electronic and hardcopy MSP claims.

F. Testing Considerations: N/A

IV. ATTACHMENT(S)

Version: Implementation Date: July 18, 2003 Discard Date: July 18, 2004 Post-Implementation Contact: Richard Mazur (410) 786-1418	Effective Date: July 18, 2003 Funding: **These instructions should be implemented within your current operating budget.** Pre-Implementation Contact: Richard Mazur (410) 786-1418