

---

# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

---

Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal 430

Date: JANUARY 14, 2005

---

CHANGE REQUEST 3587

### SUBJECT: Mandatory Assignment for MMA §630 Claims

**I. SUMMARY OF CHANGES:** If the IHS or an Indian tribe or tribal organization facility (hospital-based or non-hospital-based) submits an unassigned claim for a MMA §630 item or service with a date of service on or after July 1, 2005, the DMERC must process the claim as though the IHS or the Indian tribe or tribal organization facility had accepted assignment of the claim.

The process for submitting claims for Part B drugs furnished by the IHS or by Indian tribe or tribal organization facilities (hospital-based or non-hospital-based) was previously implemented under BIPA 432. MMA §630 has not changed the requirements for Trailblazers to process claims for Part B drugs in accordance with IOM Pub.100-4, Chapter 19, Section 70.1. MMA §630 merely allows the IHS and Indian tribe and tribal organization facilities to bill the DMERC for those drugs for which the DMERCs have jurisdiction.

**NEW/REVISED MATERIAL - EFFECTIVE DATE\*: July 1, 2005**

**IMPLEMENTATION DATE: July 5, 2005**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	19/50/50.1.2/Other Part B Services
R	19/50/50.1.2.6/DMERC Drugs
R	19/70/70.2/Claims Processing Requirements for MMA §630
R	19/70/70.2.1.1/Claims Processing for DMEPOS and DMERC Drugs
R	19/70/70.2.1.2/Enrollment for DMEPOS and DMERC Drugs
R	19/70/70.3/Enrollment and Billing for Clinical Laboratory and Ambulance Services and Part B Drugs
R	19/70/70.3.1/Claims Submission and Processing for Clinical Laboratory and Ambulance Services and Part B Drugs

**III. FUNDING:** Medicare contractors shall implement these instructions within their current operating budgets.

**IV. ATTACHMENTS:**

<b>X</b>	<b>Business Requirements</b>
<b>X</b>	<b>Manual Instruction</b>
	<b>Confidential Requirements</b>
	<b>One-Time Notification</b>
	<b>Recurring Update Notification</b>

**\*Unless otherwise specified, the effective date is the date of service.**

# Attachment - Business Requirements

Pub. 100-04	Transmittal: 430	Date: January 14, 2005	Change Request 3587
-------------	------------------	------------------------	---------------------

**SUBJECT: Mandatory Assignment for MMA §630 Claims**

## I. GENERAL INFORMATION

**A. Background:** Section 1880 of the Social Security Act provides for payment to IHS facilities for services paid under the physician fee schedule. Section 630 of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) allows the IHS, Indian tribe and tribal organization facilities to bill for other Part B services that are not paid under §1848 of the Act. Section 630 of the MMA expands the scope of items and services for which payment may be made to IHS facilities to include all other Part B covered items and services for a five year period beginning January 1, 2005. These other Part B services are paid for under the same situations and subject to the same terms and conditions as with the exception of those Part B services which are included in the “all inclusive rate”.

Section §630 of the MMA was implemented on January 3, 2005, by CR 3288 (Transmittal 241). This instruction provides that claims submitted by the IHS or by an Indian tribe or tribal organization facility (hospital-based or non-hospital-based) to the Durable Medical Equipment Regional Carriers (DMERCs) for the items and services listed in the following policy statement must be processed on an assigned basis.

**B. Policy:** Assignment is mandatory for claims for items and services covered under MMA §630. If the IHS or an Indian tribe or tribal organization facility (hospital-based or non-hospital-based) submits an unassigned claim for an MMA §630 item or service with dates of service on or after July 5, 2005, the DMERC must process the claim as though the IHS or the Indian tribe or tribal organization facility had accepted assignment for the claim.

MMA §630 items and services are:

- Durable medical equipment
- Prosthetics and orthotics
- Surgical dressings, splints and casts
- Drugs (DMERC Only)
- Clinical laboratory services, and
- Ambulance services

**NOTE:** The process for submitting claims for Part B drugs furnished by the IHS or by Indian tribe or tribal organization facilities (hospital-based or non-hospital-based) was previously implemented under BIPA 432. Section §630 of the MMA has not changed the requirements for Trailblazers to process claims for Part B drugs in accordance with the Medicare Claims Processing Manual, Publication 100-04, Chapter 19, Section 70.1. Section §630 of the MMA merely allows the IHS and Indian tribe and tribal organization facilities to submit claims to the DMERCs for those drugs for which the DMERCs have jurisdiction.

**C. Provider Education:** A provider education article related to this instruction will be available at <http://www.cms.hhs.gov/medlearn/matters> shortly after the CR is released. You will receive notification of the article release via the established “medlearn matters” listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

**II. BUSINESS REQUIREMENTS**

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	RHHI	C a r r i e r	D M E R C	Shared System Maintainers				O t h e r
						FI SS	M C S	V M S	C W F	
3587.1	<p>If an unassigned claim is submitted to a DMERC by the IHS or by an Indian tribe or tribal organization facility for an item or service listed below, the DMERC shall process such claim as though the IHS, Indian tribe or tribal organization facility had accepted assignment for the claim.</p> <ul style="list-style-type: none"> <li>• Durable medical equipment</li> <li>• Prosthetics and orthotics</li> <li>• Surgical dressings, splints and casts</li> <li>• Drugs (DMERC Only)</li> </ul>				X			X		

**III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

<b>X-Ref Requirement #</b>	<b>Recommendation for Medicare System Requirements</b>

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**IV. SCHEDULE, CONTACTS, AND FUNDING**

<b>Effective Date:</b> July 1, 2005 <b>Implementation Date:</b> July 5, 2005 <b>Pre-Implementation Contact(s):</b> Angie Costello at acostello@cms.hhs.gov. <b>Post-Implementation Contact(s):</b> Appropriate Regional Office	<b>Medicare contractors shall implement these instructions within their current operating budgets.</b>
---	--

# Medicare Claims Processing Manual

## Chapter 19 – Indian Health Services

---

### Table of Contents

*(Rev. 430, 01-14-05)*

10 - General	
20 – Carrier Selection	
30 – Provider Enrollment	
30.1 - Applications	
30.2 - Entities	
30.3 - Individual Practitioners	
30.4 - Multiple Sites	
30.5 - Reassignment	
30.6 - Mobile Units	
40 – Reporting Requirements and Specifications	
50 - Payment Policy	
50.1 - Services That May Be Paid to IHS/Tribe/Tribal Organization Facilities	
50.1.1 - Services Paid Under the Physician Fee Schedule	
50.1.2 - Other Part B Services	
50.1.2.1 - Durable Medical Equipment	
50.1.2.2 - Prosthetics and Orthotics	
50.1.2.3 - Prosthetic Devices	
50.1.2.4 - Surgical Dressings and Splints and Casts	
50.1.2.5 -Therapeutic Shoes	
50.1.2.6 - <i>DMERC Drugs</i>	
50.1.2.7 - Clinical Laboratory Services	
50.1.2.8 - Ambulance Services	
50.2 - Incentive Payment	
50.3 - Dual Eligibility	
60 – Standard Systems and Common Working File	
70 – Claims Processing	
70.1 - Claims Processing Requirements for BIPA §432 Services	
70.2 - Claims Processing Requirements for MMA §630	
70.2.1 - Enrollment and Billing for DMEPOS	
70.2.1.1 – Claims Processing for DMEPOS <i>and DMERC Drugs</i>	

70.2.1.2 – Enrollment for DMEPOS *and DMERC Drugs*

70.2.1.3 – Claims Submission for DMEPOS

70.3 – Enrollment and Billing for Clinical Laboratory and Ambulance Services  
*and Part B Drugs*

70.3.1 – Claims Submission and Processing for Clinical Laboratory and  
Ambulance Services *and Part B Drugs*

70.3.2 – Enrollment for Clinical Laboratory and Ambulance Services and Part B  
Drugs

### **50.1.2 – Other Part B Services**

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

IHS, tribe and tribal organization facilities can bill for all other part B services, which are not paid under the physician fee schedule and which are not included in the Medicare IHS all-inclusive rate.

For the five-year period beginning January 1, 2005, IHS, tribe, and tribal organization facilities may bill Medicare for the following part B services:

- Durable medical equipment
- Prosthetics and orthotics
- Surgical dressings, and splints and casts
- Therapeutic shoes
- *Drugs (DMERC only)*
- Clinical laboratory services, and
- Ambulance services

Durable medical equipment, prosthetics and orthotics, surgical dressings, therapeutic shoes and DMERC drugs must be billed to the DMERC. Supplies must enroll with the National Supplier Clearinghouse to obtain a Supplier Number to bill the DMERC.

Splints and casts, Part B Drugs, clinical laboratory services and ambulance services must be billed to Trailblazers. Providers must enroll with Trailblazers.

#### **50.1.2.6 – DMERC Drugs**

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

*For the five-year period beginning January 1, 2005, Part B payment may be made to IHS, Indian tribe and tribal organization facilities that furnish DMERC drugs. See section 80 of chapter 17 of the Medicare Claims Processing Manual for more information on this benefit.*

### **70.2 - Claims Processing Requirements for MMA § 630**

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

For the five-year period beginning January 1, 2005, IHS, tribe, and tribal organization facilities may bill Medicare for the following part B services:

- Durable medical equipment,
- Prosthetics and orthotics,



- Prosthetic devices,
- Therapeutic shoes,
- Surgical dressings and splints and casts,
- *Drugs (DMERC only)*
- Clinical laboratory services, and
- Ambulance services.

**70.2.1.1 – Claims Processing for DMEPOS *and DMERC Drugs***  
*(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)*

Effective January 1, 2005, the DMERCs shall process claims for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies, and Drugs (DMEPOS) submitted by IHS, tribe and tribal organizations. DMERCs may only be billed by free-standing clinics, not by hospital-based clinics or hospital outpatient departments. Hospitals and hospital-based clinics already bill the designated FI for DME used in the home.

The DMERCs shall identify the IHS, tribe and tribal organization facilities by specialty code.

*If an IHS or an Indian tribe or tribal organization facility (hospital-based or non-hospital-based) submits an unassigned claim with dates of service on or after July 5, 2005, to the DMERC for these Part B services, the DMERC must process the claim as though the IHS or an Indian tribe or tribal organization had accepted assignment of the claim.*

The DMERCs shall identify DMEPOS claims submitted by IHS, tribe and tribal organization facilities and waive coinsurance and deductible for these beneficiaries.

The DMERCs shall apply all other edits, including Certificate of Medical Necessity (CMN) requirements.

The Medicare Summary Notice (MSN) messages for these claims shall be suppressed. CoPay and Deductibles shall be waived.

Payment for these claims shall be based on the DMEPOS fee schedule. These claims will be priced using the appropriate DMEPOS fee schedule based on the beneficiary's address.

*Payment for DMERC drug claims shall be based on the Average Sales Price (ASP) fee schedule or other sources (See IOM, Chapter 17, Section 20).*

**70.2.1.2 – Enrollment for DMEPOS *and DMERC Drugs***

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

IHS, tribe and tribal organizations that do not currently have a supplier number and want to bill for DMEPOS items *and DMERC drugs* must enroll with the National Supplier Clearinghouse (NSC). The NSC must start accepting enrollment applications from IHS, tribe and tribal organization facilities providing DMEPOS beginning September 1, 2004.

### **70.2.1.3 – Claims Submission for DMEPOS**

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

CIGNA (Region D DMERC) shall accept all DMEPOS claims submitted by outpatient (freestanding) clinics operated by the IHS and will forward EMC claims to the appropriate DMERC for processing. CIGNA will follow usual procedures for paper claims. If the outpatient clinics (freestanding) operated by the IHS choose to send the claims directly to the appropriate DMERC that has jurisdiction for the claim that DMERC will process the claim.

### **70.3- Enrollment and Billing for Clinical Laboratory and Ambulance Services *and Part B Drugs***

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

#### **70.3.1 – Claims Submission and Processing for Clinical Laboratory and Ambulance Services *and Part B Drugs***

***(Rev. 430, Issued: 01-14-05, Effective: 07-01-05, Implementation: 07-05-05)***

Effective January 1, 2005, Trailblazers shall process claims for clinical laboratory and ambulance services submitted by IHS, tribe and tribal organizations.

Coinsurance and deductible for these beneficiaries shall be waived.

The Medicare Summary Notice (MSN) messages for these claims shall be suppressed.

All claims processing requirements in the Chapter 15 shall apply to ambulance service claims submitted by IHS, tribe and tribal organization facilities.

All claims processing requirements in Chapter 16 shall apply to clinical laboratory services claims submitted by IHS, tribe and tribal organization facilities.

Payment for most clinical laboratory claims shall be based on the clinical laboratory fee schedule issued annually. Payment is based upon where the service is performed.

Payment for certain clinical laboratory services is based upon reasonable charge.

Payment for ambulance claims shall be based on the ambulance fee schedule and processed based on point of pickup.