

---

# Program Memorandum Intermediaries/Carriers

---

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

Transmittal AB-02-162

Date: NOVEMBER 8, 2002

---

CHANGE REQUEST 2377

**SUBJECT: Deported Medicare Beneficiaries**

## I. GENERAL INFORMATION

### A. Scope

This Program Memorandum (PM) provides claims processing procedures for all Carriers, DMERCs, Intermediaries and RHHIs for claims rejected by CWF when the Master Beneficiary Record indicates that the beneficiary has been deported.

### B. Background:

Sections 226 and 226(A) of the Social Security Act (the Act) provide that no payments may be made for benefits under Part A of Title XVIII of the Act if there is no monthly benefit payable under Title II. Section 1836 of the Act limits Part B benefits to those who are either entitled to Part A benefits or who are age 65 and a United States (U.S.) resident, U.S. citizen or a lawfully admitted alien residing permanently in the U.S. Finally, a deported beneficiary is not allowed to enter the U.S. and cannot be lawfully present in the United States to receive Medicare-covered services.

A recent audit of Medicare payments by the Office of Inspector General identified a vulnerability for the Medicare trust fund with respect to this issue. The study identified improper payments for beneficiaries, who, on the date of service on the claim, had been deported. To address this vulnerability, CMS is establishing claim level editing using data from the Social Security Administration (SSA). Specifically, the data contains the name and HIC# of the Medicare beneficiary and the month the deportation is effective. CWF will reject claims where the effective date on the Master Beneficiary Record are equal to or greater than the date of service on the claim. All claims rejected by CWF must be denied by the respective Carrier, DMERC, RHHI or intermediary that submitted the claim to CWF.

### C. Policy:

#### 1. No Payment for Medicare Benefits

- a. No payments may be made for an individual that has been deported from the United States.
- b. CMS shall make no payment for services rendered to a deported beneficiary.

#### 2. Appeals

A party to a claim denied in whole or in part under this policy may appeal the initial determination on the basis of deportation status.

### 3. Implementation of Payment Policy for Deported Medicare Beneficiaries:

#### a. CWF Editing of Claims

1. An auxiliary file must be established in the Common Working File.
2. This auxiliary file will be the basis for an edit that rejects claims submitted by Medicare contractors.
3. The edit will reject claims where the beneficiary HIC number on the claim matches the HIC number on the Master Beneficiary Record, and the dates of service on any line item overlaps the date of deportation.

#### b. Carriers/DMERCs

1. Carriers and DMERCs must deny claims for items and services when rejected by CWF.
2. Carriers and DMERCs must refer to the CWF documentation on this subject for the error code assigned to this editing.
3. Upon receipt of an error code that is specific to this edit, carriers and DMERCs must use reason code 96, non-covered charges, with Remark Code N126 "Social Security Records indicate that this individual has been deported. The payer does not cover items and services furnished to individuals who have been deported."
4. When CWF rejects a claim, carriers and DMERCs must use MSN message #16.56 "Claim denied because information received from the Social Security Administration indicates that you have been deported." Spanish translation for 16.56 reads "La reclamación fue denegada porque la información proporcionada por la Administración del Seguro Social indica que usted ha sido deportado(a)."
5. All denials will provide appeal rights as specified in the policy section of this PM.

#### c. Intermediaries/RHHIs

1. Intermediaries and RHHIs must deny claims for items and services when rejected by CWF.
2. Intermediaries and RHHIs must refer to the CWF documentation on this subject for the error code assigned to this editing.
3. Upon receipt of an error code that is specific to this edit, intermediaries and RHHIs must use reason code 96, non-covered charges, with Remark Code N126 "Social Security Records indicate that this individual has been deported. The payer does not cover items and services furnished to individuals who have been deported."

4. When CWF rejects a claim on the basis that the beneficiary was deported on the date of service(s), intermediaries and RHHIs must use MSN message #16.56 “Claim denied because information received from the Social Security Administration indicates that you have been deported.” Spanish translation for 16.56 reads “La reclamación fue denegada porque la información proporcionada por la Administración del Seguro Social indica que usted ha sido deportado(a).”
5. All denials will provide appeal rights as specified in the policy section of this PM.

#### **D. Provider Education:**

All carriers, DMERCs, intermediaries and RHHIs must announce that CMS will begin denying claims for deported beneficiaries effective April 1, 2003. Publish an article announcing this policy in your next regularly scheduled provider bulletin and within the next 2 weeks on your web site.

## **II. BUSINESS REQUIREMENTS**

<b>Requirement #</b>	<b>Requirements</b>	<b>Responsibility</b>
1.1	CWF must establish an auxiliary file to use in editing all claims submitted for deportation status.	CWF
1.2	CWF must reject claims upon a match of the HIC number on the claim, the HIC number on the auxiliary, and the dates of service on the claim are equal to or greater than the date of deportation.	CWF
1.3	Carriers, DMERCs, RHHIs and intermediaries must deny claims rejected by CWF. Review the CWF documentation to identify the error code assigned to this edit.	Carriers, DMERCs, RHHIs, Intermediaries
1.4	Carriers, DMERCs, RHHIs and intermediaries must deny claims identified by CWF by this editing with reason code 96, non-covered charges with remark code N126 “Social Security records indicate that this beneficiary has been deported. The payer does not cover items and services furnished to individuals that have been deported.”	Carriers, DMERCs, RHHIs, Intermediaries
1.5	Issue MSN Message #16.56 “Claim denied because information from the Social Security Administration indicates that you have been deported.” Spanish translation for 16.56 reads “La reclamación fue denegada porque la información proporcionada por la Administración del Seguro Social indica que usted ha sido deportado(a).”	Carriers, DMERCs, RHHIs, Intermediaries
1.6	Process appeals only the basis of the deportation status.	Carriers, DMERCs, RHHIs, Intermediaries

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions:

X-Ref Requirement #	Instructions
1.6	All carriers, DMERCs, RHHIs and intermediaries must announce that CMS will begin denying claims for deported beneficiaries. Publish an article announcing this policy in your regularly scheduled provider bulletin (if funding permits) and on your web site.

#### B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces:** CWF must implement the necessary changes to edit for these claims effective April 1, 2003. Carriers, DMERCs, RHHIs and Intermediaries must implement the necessary systems changes to deny these claims effective April 1, 2003. (Business Requirements 1.1, 1.2, and 1.3)

**D. Contractor Financial Reporting /Workload Impact:** This editing should have minimal impact on carrier workloads based upon the fact that when the audit was completed by the OIG, a very small volume of improperly paid claims were identified.

**E. Dependencies:** The Master Beneficiary Record file that is currently received from the Social Security Administration will be the basis for the development of the auxiliary file used to edit claims sent to the Common Working File.

#### F. Testing Considerations:

#### IV. ATTACHMENT(S): None

Version:	Effective Date: April 1, 2003
Implementation Date: April 1, 2003	Funding: These instructions should be implemented within your current operating budget.
Discard Date: April 1, 2004	Pre-Implementation Contact: Joan Proctor-Young (410) 786-0949
Post-Implementation Contact: Contractors should contact their regional office for assistance in resolving any issues that pertain to Deported Beneficiaries.	