Medicare
Carriers Manual
Part 3 - Claims Process

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

Transmittal 1736 **Date: DECEMBER 19, 2001**

CHANGE REQUEST 1960

HEADER SECTION NUMBERS	PAGES TO INSERT	PAGES TO DELETE
6008.4 - 6009	6-15 – 6-16 (2 pp.)	6-15 – 6-16 (2 pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE:* *May 1, 2002*
IMPLEMENTATION DATE: *May 1, 2002*

Section 6009, Paying Claims Without CWF Approval, advises that you are responsible for reporting CWF problems you detect and for requesting corrective action through the CWF change request. Also, you must copy your regional office contacts on any CWF change requests you initiate.

Section 6009.1, Requesting to Pay Claims Without CWF Approval, advises that Administrative Law Judge (ALJ) decisions may necessitate that payment be made outside the normal CWF process.

Section 6009.2, Procedures for Paying Claims Without CWF Approval, advises you to apply deductible and coinsurance, if applicable, based on the most current data you have.

This section also advises that the regional office will use the reported information to follow up on systems problems reported to CWF and to ensure contractors submit claims to CWF once systemic problems are fixed.

These instructions should be implemented within your current operating budget.

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

- A copy of the Health Insurance Master Record Entitlement Status Query (ESQ) received from an SSA District Office.

The criteria are:

- Two follow ups have been made to the Social Security Office (SSO) and the CWF Master Record has not been corrected;
- At least 60 days have elapsed since the correction procedures were initiated;
- A serious hardship to the beneficiary or a public relations problem has developed;
- Corrections or changes to HMO termination dates are necessary; and
- The SSO response indicates that both the MBR and HI Master Records are correct.

Mark the information "CRITICAL CASE". Flag the file for special handling and expedite the claim as soon as the reply is received.

Diary the case for 30 calendar days. By that time the RO should have a response and advise you. If you receive a positive Part B Basic Reply Record before hearing from the RO, notify the RO.

6008.4. Social Security Administration (SSA) Involvement.--SSA maintains the Master Beneficiary Record (MBR) from which the Health Insurance (HI) Master Record is established. CWF's eligibility record is accreted from this HI Master Record. The HI Master Record is updated periodically from a variety of sources, including the MBR, and in turn updates the Host maintaining the CWF record. However, errors occur where the MBR fails to correctly update the HI Master Record or where the HI Master Record fails to correctly update the CWF record.

If the problem is caused by difficulties in determining the beneficiary's correct entitlement status, request assistance of the SSO. Where both the SSO and you are involved, the SSO is responsible for processing the case. Examples of situations covered by this procedure are:

- Problems involving Railroad Retirement Board (RRB) jurisdiction, i.e., the RRB has jurisdiction of the beneficiary's Medicare, and the claim was erroneously referred to the area carrier;
- Evidence that a beneficiary has utilization under more than one health insurance claim number (HICN), but you are not aware of any cross-reference action taken by CMS; or
- Assistance is needed to obtain or verify a beneficiary's name and/or HICN. (See specific procedures in §6005.2 under disposition code 55.)

In the event the SSO is unable to resolve the entitlement problem e.g., a disposition code 55 is received after SSA verified the beneficiary's name and/or HICN, request assistance from the RO.

Include complete details of the nature of the problem and a description of your efforts to resolve it.

6009. PAYING CLAIMS WITHOUT CWF APPROVAL

CWF must approve each claim before it is paid. There may be special circumstances, however, when it is necessary to pay claims outside of the CWF system. CMS will notify you of these instances. They include:

- New coverage policies are enacted by Congress with effective dates that preclude making the necessary changes to CWF timely; and

- Errors are discovered in CWF that cannot be corrected timely. You are responsible for reporting CWF problems you detect and for requesting corrective action through the CWF change request process. Copy your RO contacts on any CWF change requests you initiate.

6009.1 Requesting to Pay Claims Without CWF Approval.--You may also request approval from the RO in specific situations to pay claims without CWF approval. Examples of such situations are:

- Other contractors cannot complete action to remove an impediment that blocks your processing of a claim; and/or

- A systems error cannot be corrected timely, and the provider's cash flow will be seriously endangered.

- Administrative Law Judge (ALJ) decisions, court decisions, and CMS instructions in particular cases may necessitate that payment be made outside the normal CWF process.

6009.2 Procedures for Paying Claims Without CWF Approval.--Before a claim can be paid outside of CWF, obtain approval from your RO. In all instances involving payment outside CWF, apply the following procedures:

- Determine payment as if the payment were final. Apply deductible and coinsurance, if applicable, based on the most current data you have.

- Pay interest accrued through the date payment is made on clean claims. Do not pay any additional interest.

- Maintain a record of payment. Implement controls to be sure that duplicate payment is not made, i.e., when the claim record is updated to CWF, or in response to a duplicate request by the provider.

- Monitor CWF to determine when the impediment to CWF processing is removed. Update CWF when the impediment is removed. Show the actual payment date outside CWF in the scheduled payment data field.

- Consider the claim processed for workload and expenditure reports when you pay it.

- Submit to your RO by the 20th of each month a monthly report of all claims paid without CWF approval. The regional office will use the reported information to follow up on systems problems reported to CWF and to ensure contractors submit claims to CWF once systemic problems are fixed. The report of claims paid outside of CWF is to include the following information:

  - HICN
  - Name
  - Provider number
  - Total charges
  - From and through date
  - Amount paid
  - Paid date
  - CWF error condition preventing payment.

  Also, include summary data for each edit code showing claim volume and payment.