CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 679

Department of Health & Human Services(DHHS)

Center for Medicare & Medicaid Services (CMS)

Date: SEPTEMBER 16, 2005

CHANGE REQUEST 4006

SUBJECT: **Medicare Redetermination Notice and Effect of the Redetermination**

I. SUMMARY OF CHANGES: The Medicare claim appeals process was amended by the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). Section 1869(c) of the Social Security Act (the Act), as amended by BIPA, requires a new second level in the administrative appeals process called a reconsideration. This new 'reconsideration' is different from the previous first level of appeal for Part A claims performed by fiscal intermediaries. Reconsiderations will be processed by qualified independent contractors.

NEW/REVISED MATERIAL

EFFECTIVE DATE: May 1, 2005 (FIs); January 1, 2006 (Carriers)

IMPLEMENTATION DATE: December 19, 2005 (FIs); January 1, 2006 (Carriers)

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. 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:

R = REVISED, N = NEW, D = DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N	29/310.7/Medicare Redetermination Notice (for partly or fully unfavorable redeterminations)
N	29/310.8/Medicare Redetermination Notice (for fully favorable redeterminations)
N	29/310.9/Effect of the Redetermination

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be

carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 679	Date: September 16, 2005	Change Request 4006

SUBJECT: Medicare Redetermination Notice and Effect of the Redetermination

I. GENERAL INFORMATION

A. Background: The Medicare claim appeals process was amended by the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). Section 1869(c) of the Social Security Act (the Act), as amended by BIPA, requires a new second level in the administrative appeals process called a reconsideration. This new "reconsideration" is different from the previous first level of appeal for Part A claims performed by fiscal intermediaries (FIs). Reconsiderations will be processed by qualified independent contractors (QICs).

B. Policy: The purpose of this Change Request (CR) is to manualize CRs 3635 and 3530 which notified FIs and carriers about the upcoming transition to the new second level of the appeals process. For Part A and Part B redeterminations issued and mailed by FIs on or after May 1, 2005, the parties to the redetermination will have the right to appeal to a QIC. For Part B redeterminations issued and mailed by carrier on or after January 1, 2006, the parties to the redetermination will have the right to appeal to a QIC. All FI redeterminations issued and mailed before May 1, 2005, will have appeal rights to the administrative law judge for Part A claims and to the hearing officer (HO) for Part B claims. All carrier redeterminations issued and mailed before January 1, 2006 will have appeal rights to the HO for Part B claims. These manual instructions supersede CRs 3635 and 3530.

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	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4006.1	Contractor shall use the Medicare Redetermination Notice (MRN) format contained in §310.7 or something similar and standard language paragraphs.	x	x	x	x					

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4006.1.1	Contractor must ensure that the information identified in each section of the model letter is included and addressed, as needed, in the MRN.	x	x	x	x					
4006.1.2	Contractors shall include the request for reconsideration form with the MRN as shown in §310.7.	x	x	x	x					
4006.1.3	Contractors shall fill in the contract number and appeal number on each request for reconsideration form. The contract number is only required for contractors who have multiple locations in which a QIC will need to request a case file.	x	x	x	x					
4006.1.4	Contractors shall use an appeal number which can be used to identify the associated appeal and case file.	x	x	x	x					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	Provider education is not needed.	x	x	x	x					

IV. 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: N/A

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

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: All redeterminations issued by FIs on or after May 1, 2005, and all redeterminations issued by carrier on or after January 1, 2006 **Implementation Date:** FIs – December 19, 2005, carrier- all redeterminations issued on or after January 1, 2006 **Pre-Implementation Contact(s):** Tara Boyd at 410-786-2069 or Tara.Boyd@cms.hhs.gov or Jennifer Frantz at 410-786-9531 or Jennifer.Frantz@cms.hhs.gov **Post-Implementation Contact(s):** Your appropriate RO	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.**

Medicare Claims Processing Manual
Chapter 29 - Appeals of Claims Decisions

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310.7 - Medicare Redetermination Notice (for partly or fully unfavorable redeterminations)

(Rev.679, Issued: 09-16-05, Effective: FIs-05-01-05/Carrier-01-01-06, Implementation: FIs-12-19-05/Carrier-01-01-06)

The contractor uses the following Medicare Redetermination Notice (MRN) format or something similar and standard language paragraphs

NOTE: *This is a model letter and should be adjusted on a case by case basis if necessary. Appeals that involve issues such as Medicare Secondary Payer (MSP) and overpayment recoveries may require contractors to deviate from the sample given in this manual section).*

The fill-in-the-blank information (specific to each redetermination) are in italics. The contractor must ensure that the information identified in each section of the model letter below is included and addressed, as needed, in the MRN. Contractors shall include the request for reconsideration form with the MRN. The contractor must fill in the contract number and "appeal number" on each request for reconsideration form. The contract number is only required for contractors who have multiple locations in which a QIC will need to request a case file. The "appeal number" is any number used to identify the associated appeal and will be used by the QIC to request a case file. The contractor also shall include the contractor logo or CMS logo with the contractor name and address on the reconsideration request form for identification purposes. This logo will be used by the QIC to identify which FI or carrier to request the case file from.

A. Redetermination Letterhead

The redetermination letterhead must follow the instructions issued by CMS for carrier written correspondence requirements, unless otherwise instructed and/or agreed to by CMS.

Medicare Number of Beneficiary:
111-11-1111 A

Contact Information
If you have questions, write or call:
Contractor Name
Street Address
City, State Zip
Phone Number

MEDICARE APPEAL DECISION

MONTH, DATE, YEAR

APPELLANT'S NAME
ADDRESS
CITY, STATE ZIP

If the appellant is a provider or supplier, in the beneficiary's letter include the following statement: ***This is a copy of the letter sent to your provider/physician/supplier.***

Dear Appellant's Name:

This letter is to inform you of the decision on your Medicare Appeal. An appeal is a new and independent review of a claim. You are receiving this letter because you requested an appeal for (insert: name of item or service).

The appeal decision is
(Insert either: ***unfavorable.*** *Our decision is that your claim is not covered by Medicare.*
OR ***partially favorable****. Our decision is that your claim is partially covered by Medicare.*
More information on the decision is provided below. If you disagree with the decision, you may appeal to a Qualified Independent Contractor. You must file your appeal, in writing, within 180 days of receiving this letter. However, if you do not wish to appeal this decision, you are not required to take any action.

A copy of this letter was also sent to (Insert: Beneficiary Name or Provider Name). (Insert: Contractor Name) was contracted by Medicare to review your appeal. For more information on how to appeal, see the section titled "Important Information About Your Appeal Rights."

Summary of the Facts

Instructions: You may present this information in this format, or in paragraph form.

Provider	***Dates of Service***	***Type of Service***
Insert: Provider Name	*Insert: Dates of Service*	*Insert: Type of Service*

- *A claim was submitted for (insert: kind of services and specific number).*
- *An initial determination on this claim was made on (insert: Date).*
- *The (insert: service(s)/item(s) were/was) denied because (insert: reason).*

- *On (insert: date) we received a request for a redetermination.*
- *(Insert: list of documents) was submitted with the request.*

Decision

Instructions: Insert a brief statement of the decision, for example "We have determined that the above claim is not covered by Medicare. We have also determined that you are responsible for payment for this service."

Explanation of the Decision

Instructions: This is the most important element of the redetermination. Explain the logic/reasons that led to your final determination. Explain what policy (LCD, NCD), regulations and/or laws were used to make this determination. Make sure that the explanation contained in this paragraph is clear and that it includes an explanation of why the claim can or cannot be paid. Statements such as "not medically reasonable and necessary under Medicare guidelines" or "Medicare does not pay for X" provide conclusions instead of explanation, and are not sufficient to meet the requirement of this paragraph.

Who is Responsible for the Bill?

Instructions: Include information on limitation of liability, waiver of recovery, and physician/supplier refund requirements as applicable.

What to Include in Your Request for an Independent Appeal

Instruction: If the denial was based on insufficient documentation or if specific types of documentation are necessary to issue a favorable decision, please indicate what documentation would be necessary to pay the claim. Use option 1 if evidence is indicated in this section or option 2 if no further evidence is needed.

Option 1:

Special Note to Medicare Physicians and Suppliers Only: *Any evidence indicated in this section should be submitted with the request for reconsideration. All evidence, including evidence indicated in this section, must be presented before the reconsideration is issued. If all evidence is not submitted, you will not be able to submit any new evidence to the Administrative Law Judge or further appeal unless you can demonstrate good cause for withholding the evidence from the Qualified Independent Contractor.*

Option 2:

Special Note to Medicare Physicians and Suppliers Only: *All evidence should be submitted with the request for reconsideration. All evidence must be presented before the reconsideration is issued. If all evidence is not submitted, you will not be able to*

submit any new evidence to the Administrative Law Judge or further appeal unless you can demonstrate good cause for withholding the evidence from the Qualified Independent Contractor.

Sincerely,

Reviewer Name
Contractor Name
A Medicare Contractor

IMPORTANT INFORMATION ABOUT YOUR APPEAL RIGHTS

Your Right to Appeal this Decision: *If you do not agree with this decision, you may file an appeal. An appeal is a review performed by people independent of those who have reviewed your claim so far. The next level of appeal is called reconsideration. A reconsideration is a new and impartial review performed by a company that is independent from <Insert Contractor's name>.*

How to Appeal: *To exercise your right to an appeal, you must file a request in writing within 180 days of receiving this letter. Under special circumstances, you may ask for more time to request an appeal. You may request an appeal by using the form enclosed with this letter.*

If you do not use this form, you can write a letter. You must include: your name, your signature, the name of the beneficiary, the Medicare number, a list of the service(s) or item(s) that you are appealing and the date(s) of service, and any evidence you wish to attach. You must also indicate that (insert: contractor name) made the redetermination. You may also attach supporting materials such as medical records, doctors' letters, or other information that explains why this service should be paid. Your doctor may be able to provide supporting materials.

If you want to file an appeal, you should send your request to:

QIC Name
Address
City, State Zip

Who May File an Appeal: *You or someone you name to act for you (your* ***appointed representative****) may file an appeal. You can name a relative, friend, advocate, attorney, doctor, or someone else to act for you.*

If you want someone to act for you, you and your appointed representative must sign, date and send us a statement naming that person to act for you. Call us to learn more about how to name a representative.

Help With Your Appeal: *If you want help with an appeal, or if you have questions about Medicare, you can have a friend or someone else help you with your appeal. You can also contact your State Health Insurance Assistance Program (SHIP). You can call 1-800-MEDICARE (1-800-633-4227) for information on how to contact your local SHIP. Your SHIP can answer questions about payment denials and appeals.*

Other Important Information: *If you want copies of statutes, regulations, policies, and/or manual instructions we used to arrive at this decision, please write to us at the following address and attach a copy of this letter:*

Contractor Name,
A Medicare Contractor
Address
City, State Zip

IMPORTANT INFORMATION ABOUT YOUR APPEAL RIGHTS

If you need more information or have any questions, please call us at the phone number provided (insert location of address).

Other Resources To Help You:
1-800-MEDICARE (1-800-633-4227), TTY/TDD: 1-800-486-2048

Contractor Logo or CMS Logo with Contractor Name and Address

Redetermination/ Appeal Number: XXXXXX

Reconsideration Request Form

Directions: *If you wish to appeal this decision, please fill out the information below and mail this form or a* ***copy*** *of this form to:*

QIC Name
Address
City, State and Zip Code

1. *Name of Beneficiary:*_____
2. *Medicare Number:*_____
3. *Provider Name:*_____
4. *Person Appealing:* ☐ *Beneficiary* ☐ *Provider of Service* ☐ *Representative*
5. *Address of the Person Appealing:* _____
   _____
6. *Item or service you wish to appeal:*_____
   _____
7. *Date of the service: From*____/_____/_____ *To*_____/_____/_____
8. *Why do you disagree? Or what are your reasons for your appeal? (Attach additional pages, if necessary.)* _____
   _____
9. *You may also include any supporting material to assist your appeal. Examples of supporting materials include:*
   - ☐ *Medical Records*
   - ☐ *Office Records/Progress Notes*
   - ☐ *Copy of the Claim*
   - ☐ *Treatment Plan*
   - ☐ *Certificate of Medical Necessity*
10. *Printed Name of Person Appealing:* _____
11. *Signature of Person Appealing:* _____ *Date:*_____/____/___

Contractor Number _____ *(Contractor number is optional for contractors with only one location for QICs to request case files)*

310.8 - Medicare Redetermination Notice (for fully favorable redeterminations)

(Rev.679, Issued: 09-16-05, Effective: FIs-05-01-05/Carrier-01-01-06, Implementation: FIs-12-19-05/Carrier-01-01-06)

NOTE: This activity is NOT required in FY 2006.

The contractor uses the following redetermination format or something similar and standard language paragraphs. The fill-in-the-blank information (specific to each redetermination) are in italics. The contractor must ensure that the information identified in each section of the model letter below is included and addressed, as needed, in the MRN.

A. Redetermination Letterhead

The redetermination letterhead must follow the instructions issued by CMS for carrier written correspondence requirements, unless otherwise instructed and/or agreed to by CMS.

Model Fully Favorable Redetermination Notice

MEDICARE APPEAL DECISION

Medicare Number of Beneficiary:
111-11-1111 A

Contact Information
If you have questions, write or call:
Contractor Name
Street Address
City, State Zip
Phone Number

MONTH, DATE, YEAR

APPELLANT's NAME
ADDRESS
CITY, STATE ZIP

RE: *Include claim identifier or appeal number*

Dear *Appellant's Name*:

This letter is to inform you of the decision on your Medicare Appeal. This appeal decision is **fully favorable** to you. Our decision is that your claim is covered by Medicare. More information on this decision, including the amount Medicare will pay, will follow in a future Remittance Advice or Medicare Summary Notice.

Sincerely.

Review Name
Contractor Name
A Medicare Contractor

310.9 - Effect of the Redetermination

(Rev.679, Issued: 09-16-05, Effective: FIs-05-01-05/Carrier-01-01-06, Implementation: FIs-12-19-05/Carrier-01-01-06)

In accordance with section 1869(a)(3)(D) of the act, once a redetermination is issued, it becomes part of the initial determination. The redetermination is final and binding upon all parties unless a reconsideration is completed or the redetermination is revised as a result of a reopening.