

# CMS Manual System

## Pub 100-08 Medicare Program Integrity

Transmittal 109

Department of Health &  
Human Services

Center for Medicare and &  
Medicaid Services

Date: April 29, 2005

CHANGE REQUEST 3725

**SUBJECT: Updated Standard System Changes for Provider Enrollment Chain Ownership System (PECOS) and MCS**

**I. SUMMARY OF CHANGES:** Deactivate billing numbers for non-frequent billers, capture arrangements for individual sole-proprietors who hire employees that reassign benefits to the sole-proprietor; prepare a merge-error report based on information received from PECOS; and capture par status.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE : October 01, 2005**

**IMPLEMENTATION DATE : October 03, 2005**

*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: (N/A if manual not updated.)**

R/N/D	Chapter/Section/SubSection/Title
N/A	

**III. FUNDING:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

**IV. ATTACHMENTS:**

One-Time Notification Attachment

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

# Attachment – One Time Notification

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## **SUBJECT: Updated Standard System Changes for Provider Enrollment Chain Ownership System (PECOS) and Multi-Carrier System (MCS)**

We have identified the following requirement additions and changes to PECOS and MCS that affect downstream systems. The requirements addressed in this transmittal are:

### **I. GENERAL INFORMATION**

Capture arrangements for individual sole-proprietors who hire practitioners that reassign benefits to the sole-proprietor;

**A. Background:** The MCS/PECOS system shall allow arrangements for an individual, who is a sole-proprietor, to hire a practitioner and receive payments for the practitioner.

Currently MCS and PECOS cannot accommodate an arrangement between an individual who is a sole-proprietor (one who receives payment under his/her Social Security number) to hire an practitioner who reassigns benefits to the sole-proprietor. PECOS shall add a requirement to handle an individual reassigning to another individual. MCS shall add the requirement that they accept this information on the PECOS export file and process it correctly in claims.

Because the provider enrollment rules allow the above arrangement, the system shall capture when a sole-proprietor hires practitioners who reassign their benefits to allow the sole-proprietor to receive payment under his/her social security number.

#### **Prepare a merge-error report based on information received from PECOS:**

On a daily basis, PECOS generates a claims export file for each carrier. These PECOS claims export files are used to populate the Medicare Claim System (MCS). The claims export file contains:

- New provider enrollment records that are approved for the first time
- Provider enrollment records that have been updated with new practitioner data (i.e. new address, group association, UPIN information.)

**B. Policy:** The PECOS does not include deleted enrollment records in the PECOS claims export file. Therefore, the MCS system does not know when a PECOS enrollment record has been deleted. To delete a record in the MCS claims system, which had been deleted from PECOS, the carrier shall request MCS to manually delete the record. This process will automate the notification of the deleted enrollment records in PECOS after they have been moved to a final status.

#### **Capture par status:**

We currently capture information regarding the participating status for a practitioner within the UPIN record. An enhancement to PECOS is to capture the participation status within the

associate level record in PECOS. This change shall better serve other CMS components by maintaining current enrollment data and, ultimately, better serve our beneficiaries.

Currently, CMS components are required to maintain a participation directory on the CMS Web site to help beneficiaries identify those physicians who are participating and to identify which physicians are accepting new patients. To help facilitate this process, we will maintain this information within PECOS.

## II. Business Requirements

<b>Requirement #</b>	<b>Requirements</b>	<b>Responsibility</b>
3725.A1	All carriers shall review the outline to determine if the appropriate steps are captured when a sole-proprietor requests to receive payments for practitioner under his/her SSN. Any special considerations shall be brought to the MCS System Maintainer's attention to build upon the outline to meet carrier's needs.	Carriers MCS System Maintainer
3725.A2	The standard system shall allow individual physicians/non-physician practitioners to reassign benefits to an individual who bills and receives payment under his/her social security number.	MCS System Maintainer
3725.A3	PINs assigned to the practitioners shall be automatically linked to the sole-proprietor to show the reassignment.	MCS System Maintainer
3725.A4	Monies generated by the practitioners shall be allowed to be declared by the sole-proprietor for tax purposes.	MCS System Maintainer
3725.A5	The PECOS extract file shall mirror the same information as entered for an individual who reassigns his/her benefits to a group with the exception of a tax identification number. In this situation it will be the individual's SSN or EIN.	PECOS Maintainer
3725.A6	When an practitioner terminates his/her reassignment with the sole-proprietor, the system shall accommodate the termination.	MCS System Maintainer  PECOS Maintainer
3725.B1	All carriers shall review the outline to determine if it meets specific needs for the report. Any special considerations shall be brought to the MCS System Maintainer's attention to build upon the outline to meet carrier's needs.	Carriers MCS System Maintainer
3725.B2	To help carriers with their merge-error reports, PECOS shall include in the daily claims export file any enrollment records deleted that day, which were in a final status at any point in time. A final status needs to include "approved pending UPIN, approved and voluntary withdrawn."	PECOS Maintainer
3725.B3	The file shall include a new status to represent deletion and will be passed on to the claims system.	PECOS Maintainer
3725.B4	The claims system shall receive the PECOS claims export	MCS System

	file that includes enrollment records that were deleted from PECOS. The claims system shall delete from their claim system the enrollment records that were shown as deletion in the PECOS claims export file.	Maintainer
3725.B5	An extract file shall be generated from the claims system of any group or employer enrollment records that have been deleted. The extract file shall show the members that have been reassigned to the group or employer. This file shall aid the carrier in reassigning those members to the correct record	MCS System Maintainer
3725.C1	All carriers shall review the outline to determine if it meets specific needs to identify those practitioners who elect to participate in the Medicare program. Any special considerations shall be brought to the MCS System Maintainer's attention to build upon the outline to meet carrier's needs.	Carriers MCS System Maintainer
3725.C2	Once PECOS identifies whether a practitioner elects to participate or not, MCS shall be able to import this information and pay claims accordingly.	MCS System Maintainer
3725.C3	Any provider specialties that are subject to mandatory assignment and are treated as PAR, shall continued to be paid as PAR, even if they belong to a non-par group.	MCS System Maintainer PECOS Maintainer
3725.C4	For hospital departments that elect to have a different par status per department, the system shall accommodate those requests.	MCS System Maintainer, PECOS Maintainer
3725.C5	When the PECOS maintainer creates the export file to update MCS, provide the PAC ID, Enrollment ID and Provider Identification Number.	PECOS Maintainer
3725.C6	PECOS shall house the actual participation period of the practitioner's participation status and maintain full history for an individual or group. Since practitioners can change their par status from year to year, the export file must include any historical participation records as well as the current par activity. That is the effective date and end-date.	PECOS Maintainer
3725.C7	When a group's par status changes (adding or end dating a status) this information should automatically be propagated to the members of the group in PECOS and MCS. In situations where the member has yet to be added in PECOS, but can be found in MCS, this update should be made.	MCS System Maintainer
3725.C8	Carriers shall have the capability to create a report on a quarterly basis to identify all practitioners who are currently participating in the Medicare program.	PECOS Maintainer
3725.C9	The carrier will update/deactivate a par status through PECOS.	MCS System Maintainer

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

C. Interfaces: PECOS/MCS

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

E. Dependencies: N/A

F. Testing Considerations: N/A

### V. SCHEDULE, CONTACTS, AND FUNDING

<b>Effective Date*:</b> October 1, 2005 <b>Implementation Date:</b> October 3, 2005 <b>Pre-Implementation Contact(s):</b> Patricia Snyder <b>Post-Implementation Contact(s):</b> Patricia Snyder	<b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.</b>
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