CMS Manual System

Pub 100-08 Medicare Program Integrity

Transmittal 110

Department of Health & Human Services

Center for Medicare and & Medicaid Services

Date: MAY 2, 2005

CHANGE REQUEST 3814

SUBJECT: Revise CERT Shared Systems Modules to Retrieve Claims Files Using Only Internal Control Number as a Key

I. SUMMARY OF CHANGES: The CMS has established two programs to monitor the accuracy of the Medicare Fee-for-Service (FFS) program: the comprehensive error rate testing program (CERT) and the hospital payment monitoring program (HPMP). The national paid claims error rate is a combination of error rates calculated by the CERT contractor and HPMP with each component representing about 50 percent of the error rate. The CERT program calculates the error rates for carriers, durable medical equipment regional carriers (DMERCs), and fiscal intermediaries (FIs); HPMP calculates the error rate for the quality improvement organizations (QIOs).

Strong outcome-oriented performance measures are a good way to assess the degree to which a government program is accomplishing its mission and to identify improvement opportunities. The *Improper Medicare Fee-for-Service Payments Report* for FY 2004, describes the performance measurement process for the Medicare FFS Program.

The Department of Health and Human Services (DHHS), Office of Inspector General (OIG) produced Medicare FFS error rates from 1996 to 2002. The OIG designed a sampling method that estimated only a national FFS paid claims error rate (the percentage of dollars that carriers/DMERCs/FIs/QIOs erroneously paid). To better measure the performance of the carriers/DMERCs/FIs and to gain insight about the causes of errors, CMS decided to calculate a number of additional rates. The additional rates include a provider compliance error rate (which measures how well providers prepared claims for submission) and contractor-specific paid claims error rates (which measure how accurately each specific carrier/DMERC/FI/QIO made claims payment decisions).

The CMS calculates the Medicare FFS error rate and improper payment estimate using a methodology the OIG approved. This methodology includes:

- Randomly selecting a sample of approximately 160,803 claims submitted in calendar year under study;
- Requesting medical records from providers that submitted the claims in the sample;
- Reviewing the claims and medical records to see if the claims complied with Medicare coverage, coding, and billing rules;

- Assigning errors to claims paid or denied incorrectly;
- Classifying relevant providers as non-responders;
- Treating non-response claims as errors; and
- Having the carriers/DMERCs/FIs send providers overpayment letters for claims that carriers/DMERCs/FIs overpaid.

Medicare contractors cannot find a large number of claims when the CERT contractor requests them. This problem occurs because two shared system (the Fiscal Intermediary Shared System (FISS) and the VIPS Medicare System cannot search claims files by Internal Control Number but must search for claims by a combination of ICN and Health Insurance Claim Number. HIC numbers frequently change between the time the CERT contractor identifies a claim for the CERT sample and the time that the CERT contractor requests the claim. Currenly, contractors must manually identify claims the shared system cannot find, and the CERT contractor must request the claims information via a manual follow up process. This problem delays timely completion of the CERT report and often leads to the CERT contractor labelling the missing claims as a no resolution record. No resolution files count as processing errors for contractors.

This CR requires that the VIPS and FISS maintainers revise the shared systems for which they are responsible so the systems can search for claims based on ICN only.

NEW/REVISED MATERIAL :
EFFECTIVE DATE : October 3, 2005
IMPLEMENTATION DATE : October 3, 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 is not updated)

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

IV. ATTACHMENTS:

One-Time Notification Attachment

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

Attachment – One-Time Notification

Pub. 100-08	Transmittal: 110	Date: May 2, 2005	Change Request 3814

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I. GENERAL INFORMATION

A. Background: The CMS has established two programs to monitor the accuracy of the Medicare Fee-for-Service (FFS) program: the comprehensive error rate testing program (CERT) and the hospital payment monitoring program (HPMP). The national paid claims error rate is a combination of error rates calculated by the CERT contractor and HPMP with each component representing about 50 percent of the error rate. The CERT program calculates the error rates for carriers, durable medical equipment regional carriers (DMERCs), and fiscal intermediaries (FIs); HPMP calculates the error rate for the quality improvement organizations (QIOs).

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This CR requires that the VIPS and FISS maintainers revise the shared systems for which they are responsible so the systems can search for claims based on ICN only.

B. Policy: The Medicare Program Integrity Manual Chapter 12 – Carrier, DMERC, FI and full PSC Interaction with the Comprehensive Error Rate Testing Contractor, section 3.3.2 requires that ACs/full PSCs supply the CERT contractor with a sample claims resolution file within 5 working days of receipt of a CERT request. This request is called the sampled claims transaction file. The AC/full PSC must enter the indicator data to allow the shared systems to identify each line of service the contractor subjects to complex manual medical review or routine manual medical review. If the CERT contractor requests claim information in the sampled claims transaction file, and receives no automated resolution file from the AC/full PSC, the CERT contractor will score the claim as an error and notify the AC/full PSC's CERT POC. Claim control number in position 7 through 29 of the transaction file

II. BUSINESS REQUIREMENTS

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3814.1	The shared system maintainers shall revise the CERT shared system module to allow a search of the claim history file for each claim in the CERT sample based only on the Claim Control Number (CCN) in position 7 through 29 of the CERT transaction file in time for contractors to begin reporting the revised data on October 3, 2005.					X	X	X		
3814.2	Data centers shall install the revised CERT shared system module developed in requirement 1 in time to begin reporting revised data on October 3, 2005.	X	X	X	X					
3814.3	Contractors shall insure that the revised CERT shared system module developed in requirement 1 begins to operate in time that all CERT claims resolution files, provider address files, and replica files submitted after October 3, 2005, to contain information for each claim on the most recent CERT transaction file that the contractor has adjudicated and that contains a CCN.	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	
	None									

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

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: October 3, 2005 **Implementation Date: October 3, 2005** **Pre-Implementation Contact(s):** John Stewart (410) 786-1189 **Post-Implementation Contact(s):** John Stewart (410) 786-1189	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.**

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