MLN Matters®
Information for Medicare Fee-for-Service Health Care Professionals

News Flash – The fifth annual national administration of the Medicare Contractor Provider Satisfaction Survey (MCPSS) is now underway. If you received a letter indicating that you were randomly selected to participate in the 2010 MCPSS, CMS urges you to take a few minutes to go online and complete this important survey via a secure Internet website. Responding online is a convenient, easy, and quick way to provide CMS with your feedback on the performance of the FFS contractor that processes and pays your Medicare claims. Survey questionnaires can also be submitted by mail, secure fax, and over the telephone. To learn more about the MCPSS, please visit the CMS MCPSS website http://www.cms.hhs.gov/mcpss or read the CMS Special Edition MLN Matters article, SE1005, located at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE1005.pdf* on the CMS website.

MLN Matters® Number: MM6736 | Related Change Request (CR) #: 6736

Related CR Release Date: February 5, 2010 | Effective Date: July 1, 2010

Related CR Transmittal #: R73MSP | Implementation Date: July 6, 2010

Instructions on How to Process Negative Claim Adjustment Reason Code (CARC) Adjustment Amounts when Certain CARCs Appear on Medicare Secondary Payer Claims

Provider Types Affected

This article applies to all physicians, providers, and suppliers submitting claims to Medicare contractors (carriers, fiscal intermediaries (FIs), regional home health intermediaries (RHHIs), Medicare Administrative Contractors (MACs), and durable medical equipment Medicare Administrative Contractors (DME MACs)) for services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on CR 6736, which provides Medicare contractors with processing instructions for claim adjustment reason code (CARC) adjustment amounts that are negative when certain CARCs appear on incoming Medicare Secondary Payer (MSP) claims.

You should know that Medicare contractors will automatically reprocess any MSP claims retroactive to July 5, 2009, and remove the positive Claim Adjustment Segment (CAS) CARC adjustment from the primary payer payment amount where

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a CARC adjustment was added to the primary payer payment amount when the same CAS CARC adjustment was received as a negative adjustment. Please be sure your billing staffs are aware of these changes.

Background

CRs 6426 and 6427 instruct Medicare contractors to take into consideration the CARCs and the applicable adjustment amounts when processing MSP claims. Business requirements (BRs) 6426.6 and 6427.6 instruct shared systems to add certain CARC adjustment amounts to the paid amounts when these CARCs are received on a claim. There have been rare circumstances where the CARCs found in BR 6426.6 and 6427.6 on incoming MSP claims include a negative adjustment amount and the shared systems mistakenly added the same adjustment amount to the claim based on instructions found in CR 6426 and 6427.

CR 6736 provides instructs Medicare contractors not to add the CARCs when the adjustment amounts on incoming MSP claims are negative. Medicare systems will automatically reprocess any MSP claims retroactive to July 5, 2009, and remove the positive CAS CARC adjustment from the primary payer payment amount where a CARC adjustment was added to the primary payer payment amount when the same CAS CARC adjustment was received as negative adjustment.

Additional Information

If you have questions, please contact your Medicare contractor at their toll-free number which may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.

CR 6426 is available at *http://www.cms.hhs.gov/transmittals/downloads/R70MSP.pdf* on the CMS website. CR 6427 is available at *http://www.cms.hhs.gov/transmittals/downloads/R67MSP.pdf* on the CMS website.

The official instruction, CR 6736, issued to your Medicare contractor regarding this change, may be viewed at *http://www.cms.hhs.gov/Transmittals/downloads/R73MSP.pdf* on the CMS website. CR 6736 includes the revisions that will be made to the *Medicare Secondary Payer (MSP) Manual,* Chapter 5 (Contractor Prepayment Processing Requirements), Section 40.7.5, Effect of Failure to File Proper Claim, as an attachment to that CR.

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