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BOOKLET

KNOWLEDGE • RESOURCES • TRAINING

MEDICARE BILLING: FORM CMS-1450 AND THE 837 INSTITUTIONAL

TARGET AUDIENCE:

Medicare Fee-For-Service Program

The Hyperlink Table at the end of the document provides the complete URL for each hyperlink.

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Medicare Learning Network®

CONTENTS

WHAT ARE THE 837I AND THE FORM CMS-1450?

The 837I (Institutional) is the standard format used by institutional providers to transmit health care claims electronically. The Form CMS-1450, also known as the UB-04, is the standard claim form to bill Medicare Administrative Contractors (MACs) when a paper claim is allowed. In addition to billing Medicare, the 837I and Form CMS-1450 may be suitable for billing various government and some private insurers.

Data elements in the Centers for Medicare & Medicaid Services (CMS) uniform electronic billing specifications are consistent with the hard copy data set to the extent that one processing system can handle both. CMS designates the form as the Form CMS-1450 and the form is referred to throughout this booklet as the CMS-1450.

Institutional providers include hospitals, Skilled Nursing Facilities (SNFs), End Stage Renal Disease (ESRD) providers, Home Health Agencies (HHAs), Hospice Organizations, Outpatient Physical Therapy/Occupational Therapy/Speech Pathology Services, Comprehensive Outpatient Rehabilitation Facilities (CORFs), Community Mental Health Centers (CMHCs), Critical Access Hospitals (CAHs), Federally Qualified Health Centers (FQHCs), Histocompatibility Laboratories, Indian Health Service (IHS) Facilities, Organ Procurement Organizations, Religious Non-Medical Health Care Institutions (RNHCIs), and Rural Health Clinics (RHCs).

ANSI ASC X12N 837I

The American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12N 837I (Institutional) Version 5010A2 is the current electronic claim version. To learn more, visit the ASC X12 website.

- **ANSI =** American National Standards Institute
- **ASC =** Accredited Standards Committee
- **X12N =** Insurance section of ASC X12 for the health insurance industry's administrative transactions
- **837 =** Standard format for transmitting health care claims electronically
- **I =** Institutional version of the 837 electronic format
- **Version 5010A2 =** Current version of the Health Insurance Portability and Accountability Act (HIPAA) electronic transaction standards for institutional providers.

The National Uniform Billing Committee (NUBC) makes their UB-04 manual available through their website. This manual contains the updated specifications for the data elements and codes included on the CMS-1450 and used in the 837I transaction standard. MACs may include a crosswalk between the ASC X12N 837I and the CMS-1450 on their websites.

IMPLEMENTATION AND COMPANION GUIDES FOR ELECTRIC TRANSACTIONS

ASC X12N implementation guides are the specific technical instructions for implementing each of the adopted HIPAA standards and provide instructions on the content and format requirements for each of the standards' requirements. The documents are written for use by all health benefit payers, not specifically for Medicare. Implementation guides, including Version 5010 consolidated guides, can be purchased at the ASC X12 store or from the Washington Publishing Company.

CMS publishes a companion guide to supplement the implementation guide to provide further instruction specific to Medicare. The 5010A2 - Part A 837 Companion Guide is located on the CMS website and provides specific 837I electronic claim loop and segment references. MACs also publish their own companion documents, which provide additional information specific to that contractor's business. To locate a MAC's Companion Guide, visit that contractor's website. Implementation guides and companion guides are technical documents, and providers may require assistance from software vendors or clearinghouses to interpret and implement the information within the guides.

MEDICARE CLAIMS SUBMISSIONS

The Medicare Claims Processing Manual (Internet-Only Manual Publication [IOM Pub.] 100-04) is found on the IOMs webpage. This publication includes instructions on claims submission. Chapter 1 includes general billing requirements for various institutional providers. Other chapters offer claims submission information specific to an institutional provider type. Once in IOM Pub. 100-04, look for a chapter(s) applicable to your institution and then search within the chapter for claims submission guidelines. For example, Chapter 10 is entitled Home Health Agency Billing and contains home health billing guidelines.

Visit Chapter 24 to learn more about electronic filing requirements, including the Electronic Data Interchange (EDI) enrollment form that must be completed prior to submitting Electronic Claims or other EDI transactions to Medicare. Refer to Chapter 25 to learn what should be included in the 837I or in each field of the CMS-1450. The Medicare Benefit Policy Manual, (IOM Pub. 100-02), and the Medicare National Coverage Determinations (NCD) Manual, (IOM Pub. 100-03), both include coverage information that may be helpful in claims submission. Search for coverage guidance once within a chapter.

CODING

Correct coding is key to submitting valid claims. To ensure claims are as accurate as possible, use current valid diagnosis and procedure codes and code them to the highest level of specificity (maximum number of digits) available. Chapter 23 of the Medicare Claims Processing Manual is entitled Fee Schedule Administration and Coding Requirements and includes information on diagnosis coding and procedure coding, as well as instructions for codes with modifiers.

Diagnosis Coding

The International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM), is currently used to code diagnostic information on claims. Multiple entities publish ICD-10-CM manuals and the full ICD-10-CM is available for purchase from the AMA Bookstore.

Procedure Coding

Use Healthcare Common Procedure Coding System (HCPCS) Level I and II codes to indicate procedures on all claims, except for inpatient hospitals. ICD-10-PCS codes are used for procedure coding on inpatient hospital Part A claims.

For all other uses, Level I Current Procedural Terminology (CPT-4) codes describe medical procedures and professional services. CPT is a numeric coding system maintained by the AMA. The CPT code book is available from the AMA Bookstore.

The Medicare Learning Network® (MLN) offers a downloadable guide about Evaluation and Management (E/M) codes, which are a subset of HCPCS Level I codes. The Evaluation and Management Services Guide is available on the CMS website.

Level II of the HCPCS is a standardized coding system that is used primarily to identify products, supplies, and services not included in the CPT codes, such as ambulance services and Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). Because Medicare and other insurers cover a variety of services, supplies, and equipment that are not identified by CPT codes, the Level II HCPCS codes, or alpha-numeric codes, were established for submitting claims for these items. These codes are found in the HCPCS code book or by visiting the Alpha-Numeric HCPCS webpage.

Modifiers

Proper use of modifiers with procedure codes is essential to submitting correct claims.

The AMA's CPT code book includes HCPCS Level I codes and modifiers, while the HCPCS code book includes HCPCS Level II codes and related modifiers. Resources about modifiers on the CMS website include:

- The Modifier 59 article explains the correct use of -59 as a distinct procedural service.
- Chapters of the Medicare Claims Processing Manual (IOM Pub. 100-04) also offer modifier information. For example, Chapter 30 includes information related to modifiers for Advance Beneficiary Notices (ABNs).

National Uniform Billing Committee (NUBC) Codes

The 837I and CMS-1450 also require the use of codes maintained by the NUBC. Examples of codes maintained by the NUBC include:

- Condition codes
- Occurrence codes
- Occurrence Span codes
- Value codes
- Revenue codes
- Type of Bill
- Discharge status
- Point of Origin
- Type of Visit

Additional information is available to subscribers of the NUBC Official UB-04 Data Specifications Manual. Visit the NUBC website to subscribe.

SUBMITTING ACCURATE CLAIMS

Providers play a vital role in protecting the integrity of the Medicare Program by submitting accurate claims, maintaining current knowledge of Medicare billing policies, and ensuring all documentation required to support the medical need for the service rendered is submitted when requested by the MAC.

In addition to correct claims completion, Medicare coverage and payment is contingent upon a determination that an item or service:

- Meets a benefit category
- Is not specifically excluded from coverage
- Is reasonable and necessary

In general, **fraud** is defined as making false statements or representations of material facts to get some benefit or payment for which no entitlement would otherwise exist.

Abuse describes practices that, either directly or indirectly, result in unnecessary costs to the Medicare Program.

It is a crime to defraud the Federal government and its programs. Punishment may include imprisonment, significant fines, or both under a number of laws, including the False Claims Act, the Anti-Kickback Statute, the Physician Self-Referral Law (Stark Law), and the Criminal Health Care Fraud Statute.

For more information about Medicare Program integrity functions and how institutional providers can help to protect Medicare from fraud and abuse, reference the Medicare Program Integrity Manual (IOM Pub. 100-08, Chapter 4). The MLN also provides a booklet titled Medicare Fraud & Abuse: Prevention, Detection, and Reporting. Learn about the fraud and abuse definitions; laws used to fight fraud and abuse; government partnerships engaged in fighting fraud and abuse; and where to report suspected fraud and abuse.

The MLN also offers a number of compliance education products designed to help institutional providers submit accurate claims.

WHEN DOES MEDICARE ACCEPT A HARD COPY CLAIM FORM?

Providers must submit Medicare initial claims electronically unless the provider qualifies for a waiver or exception under the Administrative Simplification Compliance Act (ASCA) requirement for electronic claims submission.

Before submitting a hard copy claim, providers should self-assess to determine if they meet one or more of the ASCA exceptions. For example, institutional providers that have fewer than 25 Full-Time Equivalent (FTE) employees and bill a MAC are considered to be small and might therefore qualify to be exempt from Medicare electronic billing requirements. If an institutional provider meets an exception, there is no need to submit a waiver request.

There are other situations when the ASCA electronic billing requirement could be waived for some or all claims, such as if disability of all members of an institutional provider's staff prevents use of a computer for electronic submission of claims. Institutional providers must get Medicare pre-approval to submit paper claims in these situations by submitting a waiver request to their MAC.

To learn more about the ASCA waivers and exceptions, visit the Electronic Billing & EDI Transactions webpage and select one of the ASCA options in the left menu. Refer to Chapter 24, Sections 90-90.6, of the Medicare Claims Processing Manual (IOM Pub. 100-04) for further information on ASCA electronic billing requirements and enforcement reviews of institutional providers.

Download a sample of the form by visiting the CMS Forms List webpage. In the Filter On box, enter 1450. Copies of the CMS-1450 should not be downloaded for submission of claims, since they may not accurately replicate colors included in the form. These colors are needed to enable automated reading of information on the form. Visit the Institutional Paper Claim Form (CMS-1450) webpage for information on getting the CMS-1450.

TIMELY FILING

Medicare claims must be filed to the appropriate MAC no later than 12 months, or 1 calendar year, after the date of service.

Medicare will deny claims if they arrive after the deadline date. When a claim is denied for having been filed after the timely filing period, such a denial does not constitute an initial determination. As such, the determination that a claim was not filed timely is not subject to appeal.

In general, the start date for determining the 12-month timely filing period is the date of service or From date on the claim. For claims that include span dates of service (a From and Through date span on the claim), the Through date on the claim is used for determining the date of service for claims filing timeliness.

To review these exceptions, refer to the Medicare Claims Processing Manual (IOM Pub. 100-04, Chapter 1).

Medicare Secondary Payer (MSP)
MSP provisions apply to situations when Medicare is not the beneficiary's primary health insurance coverage. MSP provisions ensure that Medicare does not pay for services and items that certain other health insurance or coverage is primarily responsible for paying. For more information, reference the Medicare Secondary Payer Booklet and the Medicare Secondary Payer Provisions WBT course available through the MLN Catalog. The Medicare Secondary Payer Webpage offers information on MSP laws and the various methods employed by CMS to gather data on other insurance that may be primary to Medicare.

RESOURCES

FOR MORE INFORMATION ABOUT...	RESOURCE
Alpha-Numeric HCPCS	https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/Alpha-Numeric-HCPCS.html
AMA Bookstore	https://commerce.ama-assn.org/store
ASC X12	http://www.x12.org/
CMS Forms List	https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-List.html
Compliance Education Products	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/ProviderCompliance.html
Electronic Billing & EDI Transactions	https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/index.html
Evaluation and Management Services Guide	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243514.html
Institutional Paper Claim Form (CMS-1450)	https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/15_1450.html
Internet-Only Manuals (IOMs)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html
MA Claims Processing Contacts	https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-Claims-Processing-Contacts.html
Medicare Administrative Contractor (MAC) Website List	https://go.cms.gov/MAC-website-list
Medicare Benefit Policy Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673.html
Medicare Claims Processing Manual-Chapter 1	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf
Medicare Claims Processing Manual-Chapter 10	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c10.pdf
Medicare Claims Processing Manual-Chapter 23	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c23.pdf
Medicare Claims Processing Manual-Chapter 24	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c24.pdf

FOR MORE INFORMATION ABOUT...	RESOURCE
Medicare Claims Processing Manual-Chapter 25	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c25.pdf
Medicare Claims Processing Manual-Chapter 30	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c30.pdf
Medicare Fraud & Abuse: Prevention, Detection, and Reporting Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243333.html
Medicare National Coverage Determinations (NCD) Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS014961.html
Medicare Program Integrity Manual-Chapter 4	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c04.pdf
Medicare Secondary Payer Webpage	https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Medicare-Secondary-Payer/Medicare-Secondary-Payer.html
Medicare Secondary Payer Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243357.html
Medicare Secondary Payer Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017.html
Medicare Secondary Payer Provisions Web-Based Training (WBT)	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining.html
Modifier 59 Article	https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/downloads/modifier59.pdf
National Uniform Billing Committee (NUBC)	http://www.nubc.org/
Washington Publishing Company	http://www.wpc-edi.com/

HYPERLINKS

EMBEDDED HYPERLINK	WEB ADDRESS
Alpha-Numeric HCPCS	https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/Alpha-Numeric-HCPCS.html
AMA Bookstore	https://commerce.ama-assn.org/store
ASC X12	http://www.x12.org/
CMS Forms List	https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-List.html
Compliance Education Products	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/ProviderCompliance.html
Electronic Billing & EDI Transactions	https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/index.html
Evaluation and Management Services Guide	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243514.html
Institutional Paper Claim Form (CMS-1450)	https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/15_1450.html
Internet-Only Manuals (IOMs)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html
MA Claims Processing Contacts	https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-Claims-Processing-Contacts.html
Medicare Administrative Contractor (MAC) Website List	https://go.cms.gov/MAC-website-list
Medicare Benefit Policy Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673.html
Medicare Claims Processing Manual-Chapter 1	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf
Medicare Claims Processing Manual-Chapter 10	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c10.pdf
Medicare Claims Processing Manual-Chapter 23	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c23.pdf
Medicare Claims Processing Manual-Chapter 24	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c24.pdf

EMBEDDED HYPERLINK	WEB ADDRESS
Medicare Claims Processing Manual-Chapter 25	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c25.pdf
Medicare Claims Processing Manual-Chapter 30	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c30.pdf
Medicare Fraud & Abuse: Prevention, Detection, and Reporting Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243333.html
Medicare National Coverage Determinations (NCD) Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS014961.html
Medicare Program Integrity Manual-Chapter 4	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c04.pdf
Medicare Secondary Payer Webpage	https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Medicare-Secondary-Payer/Medicare-Secondary-Payer.html
Medicare Secondary Payer Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243357.html
Medicare Secondary Payer Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017.html
Medicare Secondary Payer Provisions Web-Based Training (WBT)	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining.html
Modifier 59 Article	https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/downloads/modifier59.pdf
National Uniform Billing Committee (NUBC)	http://www.nubc.org/
Washington Publishing Company	http://www.wpc-edi.com/

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