Medicare Learning Network
MLN Matters®
CMS
Information for Medicare Fee-For-Service Health Care Professionals

News Flash - Beginning December 19, 2008, the names of physicians and other health care professionals who reported quality information under the Physician Quality Reporting Initiative (PQRI) in 2007 will be available at http://www.medicare.gov/find-a-doctor/provider-search.aspx?bhcp=1, the Physician and Other Healthcare Professional Directory. This information includes all eligible professionals identified by their National Provider Identifier (NPI) who submitted at least one quality data code on their Medicare claims for services furnished between July 1, 2007 and December 31, 2007. For more information on the PQRI and the instructions for reporting and requirements for satisfactory reporting, go to http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html on the CMS website.

MLN Matters® Number: MM5371 Revised
Related Change Request (CR) #: 5371
Related CR Release Date: March 20, 2009
Effective Date: July 1, 2009
Related CR Transmittal #s: R1703CP, 65MSP
Implementation Date: July 6, 2009

Note: This article was updated on August 7, 2012, to reflect current Web addresses. Previously, it was revised on March 20, 2009, to reflect a revised transmittal related to CR 5371. The CR was changed to clarify some of the requirements. The CR release date, transmittal numbers (see above), and the Web address for accessing that transmittal were changed. All other information remains the same.

New Common Working File (CWF) Medicare Secondary Payer (MSP) Type for Workers' Compensation Medicare Set-aside Arrangements (WCMSAs), to Stop Conditional Payments

Provider Types Affected

Physician, providers and suppliers who bill Medicare contractors (carriers, including Durable Medical Equipment Medicare Administrative Contractors (DME MACs), fiscal intermediaries (FIs), including regional home health intermediaries (RHHIs), and Part A/B Medicare administrative contractors (A/B MACs)) for services related to workers' compensation liability claims

What You Need to Know

In order to prevent Medicare's paying primarily for future medical expenses that should be covered by workers' compensation Medicare set-aside arrangements (WCMSA), CR 5371, from which this article is taken, provides your Medicare

contractors with instructions on the creation of a new MSP code in Medicare's claims processing systems. With the creation of the new MSP code, the Centers for Medicare & Medicaid Services (CMS) will have the capability to discontinue conditional payments for diagnosis codes related to such settlements.

Background

A Workers' Compensation Medicare Set-aside Arrangement (WCMSA) is an allocation of funds from a workers' compensation (WC) related settlement, judgment or award that is used to pay for an individual's future medical and/or future prescription drug treatment expenses related to a workers' compensation injury, illness or disease that would otherwise be reimbursable by Medicare. The CMS has a review process for proposed WCMSA amounts and updates its CWF system in connection with its determination regarding the proposed WCMSA amount. For additional information regarding WCMSAs, visit http://www.cms.gov/Medicare/Coordination-of-Benefits/WorkersCompAgencyServices/index.html on the CMS website.

The CMS has determined that establishing a new MSP code in its systems, which identifies situations where CMS has reviewed a proposed WCMSA amount, will assist Medicare contractors in denying payment for items or services that should be paid out of an individual's WCMSA funds. The creation of a new MSP code specifically associated with the WCMSA situation will permit Medicare to generate an automated denial of diagnosis codes associated with the open WCMSA occurrence.
When denying a claim because of these edits, your Medicare contractor will notify the beneficiary using Medicare Summary Notice (MSN) message 29.33 - *Your claim has been denied by Medicare because you may have funds set aside from your settlement to pay for your future medical expenses and prescription drug treatment related to your injury(ies).*

In addition, Medicare will use Reason Code 201, Group Code PR, and Remark Code MA01, on outbound claims and/or remittance advice transactions when Medicare denies claims based on the WCMSA presence. Also, on 271 inquiry reply transactions, Medicare will reflect the WCMSA on the 271 response with "EB" followed by the qualifier WC.

Additional Information

You can find the official instruction (CR 5371) issued to your Medicare contractor in two transmittals: http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1703CP.pdf, and

http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R65MSP.pdf on the CMS website.

Finally, if you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.