CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 267	**Date: MARCH 30, 2007**
	Change Request 5494

SUBJECT: RAC/Other Medicare Contractors Claims Mass Adjustments in FISS

I. SUMMARY OF CHANGES: This CR requires the maintainer to modify the shared systems to allow mass adjustments for claims identified by the RAC/Other Medicare Contractors as overpayments.

New / Revised Material
Effective Date: September 4, 2007
Implementation Date: September 4, 2007

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=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

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 2007 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 267	Date: March 30, 2007	Change Request: 5494

SUBJECT: RAC/Other Medicare Contractors Claims Mass Adjustments in FISS

Effective Date: September 4, 2007

Implementation Date: September 4, 2007

I. GENERAL INFORMATION

A. Background: Section 306 of the Medicare Prescription Drug and Modernization Act of 2003 required the Secretary of Heath and Human Services to utilize Recovery Audit Contractors (RAC) to identify Medicare underpayments and overpayments and recoup overpayments under the Medicare program for services for which payment is made under part A or B of title XVIII of the Social Security Act.

CMS tasked the RACs with performing claim review to identify Medicare underpayments and overpayments. Once a potential overpayment is identified, the claim must be adjusted to reflect the correct payment. The claim adjustment, the creation of the accounts receivable and the setup of offset occurs by the FI or A/B MAC.

The RACs have identified large numbers of overpayments. These overpayments can be categorized by claim type or service type. Some of the standard systems allow some user ability to process adjustments on a mass basis; however this has not reduced the number of claims needing adjustment.

B. Policy: N/A

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
5494.1	The FISS system shall allow for mass adjustments of similar claim types and/or service types.	X		X				X				
5494.1.1	Mass adjustment is defined as more than one claim of the same type and/or service. Some examples include: 1. A file submitted with HCPCS code 5494x shall be able to be mass adjusted, or	X		X				X				

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
	2. A file submitted with all duplicate claims shall be able to be mass adjusted, or 3. A file with all incorrect status codes related to discharges and/or transfers shall be able to be mass adjusted.											
5494.1.2	If a claim is not able to be adjusted because of some external factor (i.e., an invalid HIC number…), the FISS system shall create a separate file to send back to the RAC for additional research.	X		X				X				
5494.2	After the claims are mass adjusted, the FISS system shall automatically allow for the mass creation of the account receivables.							X				
5494.3	After the mass creation of the account receivables the FISS system shall NOT initiate or send a demand letter.	X		X				X				
5494.4	Upon creation of the account receivable the FISS system shall use the appropriate reason/discovery code.	X		X				X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	DME MAC	FI	CARRIER	DMERC	RHHI	Shared-System Maintainers				OTHER
								FISS	MCS	VMS	CWF	
	None.											

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s):

Connie Leonard
(410) 786-0627
connie.leonard@cms.hhs.gov

Post-Implementation Contact(s):

Connie Leonard
(410) 786-0627
connie.leonard@cms.hhs.gov

VI. FUNDING

A. *For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC),* use the following statement:
No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. *For Medicare Administrative Contractors (MAC),* use the following statement:
The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.