

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 585</b>	<b>Date: October 30, 2009</b>
	<b>Change Request 6680</b>

**Subject: The shared system maintainer shall not report services on the 1565C lines 5-7 when the Medicare allowed amount is greater than zero and the Medicare paid amount is zero**

**I. SUMMARY OF CHANGES:** The shared system maintainer shall not report services on the 1565C lines 5-7 when the Medicare allowed amount is greater than zero and the Medicare paid amount is zero.

**New / Revised Material**

**Effective Date: April 1, 2010**

**Implementation Date: April 5, 2010**

*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:**

**SECTION A:** For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**SECTION B:** For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. 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.

**IV. ATTACHMENTS:**

**One-Time Notification**

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

# Attachment – One-Time Notification

<b>Pub. 100-20</b>	<b>Transmittal: 585</b>	<b>Date: October 30, 2009</b>	<b>Change Request: 6680</b>
--------------------	-------------------------	-------------------------------	-----------------------------

**SUBJECT: The shared system maintainer shall not report services on the 1565C lines 5 – 7 when the Medicare allowed amount is greater than zero and the Medicare paid amount is zero**

**Effective Date:** April 1, 2010

**Implementation Date:** April 5, 2010

## I. GENERAL INFORMATION

### A. Background:

Certain claims, wherein there is an allowed amount, but no Medicare payment is made, as the primary insurer paid the claim in full (or the primary insurer paid less than the full amount due to patient responsibility (copay or deductible) or the allowed amount is applied in full to the deductible) are triggering an edit in the 1565C (CROWD Form G). The edit compares the (a) number of covered services to (b) the amount of covered charges. If (a) is larger than (b), an error is displayed and the data cannot be submitted to CROWD until the out of balance condition is resolved. To prevent this edit from occurring, MCS needs to be modified to not report services on the 1565C lines 5 – 7 when the Medicare allowed amount is greater than zero and the Medicare paid amount is zero.

To restate, the out of balance error displays on the 1565C when Line 7 (Number of Covered Services) is greater than Line 10 (Amount of Covered Charges). This situation does not occur when the volume of claims is large enough to satisfy the services to charges comparison. An example of a scenario that fails the edit involves unassigned claims for a non-participating provider (the volume of which is normally very low).

Edit: L10,C3 (XXX) must be = or > L7,C3 (XXX).

### B. Policy:

MCS will be modified to not report services on the 1565C lines 5 – 7 when the Medicare allowed amount is greater than zero and the Medicare paid amount is zero. This will prevent edits within the 1565C, CROWD Form G, from triggering a Serious Error, which prevents the forms submission by the Medicare contractor.

## II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
6680.1	MCS shall not report services on the 1565C lines 5-7 when the Medicare allowed is greater than zero and the Medicare paid amount is zero.						X				

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None.										

### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space:**

508 Compliant -

### V. CONTACTS

**Pre-Implementation Contact(s):** [Kenneth.Frank@cms.hhs.gov](mailto:Kenneth.Frank@cms.hhs.gov)

**Post-Implementation Contact(s):** [Kenneth.Frank@cms.hhs.gov](mailto:Kenneth.Frank@cms.hhs.gov)

### VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**Section B: For *Medicare Administrative Contractors (MACs)*:**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. 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.