

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-05 Medicare Secondary Payer	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13046	Date: January 13, 2025
	Change Request 13694

NOTE: Transmittal 12891 issued October 10, 2024, is being rescinded and replaced by Transmittal 13046, dated January 13, 2025, to delete Business Requirement (BR) 13694.21, revise BRs 13694.2.2, 13694.5.2.1.1, 13694.8.2.1, 13694.10 through 13694.10.5.1, 13694.16, 13694.24, 13694.26.2, 13694.32, 13694.32.1, and to add BRs 13694.36 through 13694.36.8. All other information remains the same.

SUBJECT: The Recovery and Adjustment of Medicare Claims where the Department of Veteran Affairs (VA) also Made Payment Using the Medicare Duplicate Payment (DP) Process

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to include the recovery of duplicate payments when both Medicare and the Department of Veteran Affairs made payment for the same services. CMS and associated stakeholders previously designed and developed an automated Duplicate Payment (DP) process to assist in adjusting and recovering Medicare claims. This change request (CR) updates the current Medicare Secondary Payer (MSP) duplicate payment (DP) process to include and instruct A/B and Durable Medical Equipment (DME) MACs to use the automated DP process to adjust and recover VA claims that Medicare mistakenly paid.

EFFECTIVE DATE: January 1, 2025 - For CWF (requirements/coding/preliminary unit testing); for FISS (design/coding); for MCS (analysis/design/coding); for VMS (analysis & coding); April 1, 2025 - For CWF (testing/implementation); FISS (continued development/testing/implementation); MCS (continued coding/testing/implementation); and VMS (testing & implementation)

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

IMPLEMENTATION DATE: January 6, 2025 - For CWF (requirements/coding/preliminary unit testing); for FISS (design/coding); for MCS (analysis/design/coding); for VMS (analysis & coding); April 7, 2025 - For CWF (testing/implementation); FISS (continued development/testing/implementation); MCS (continued coding/testing/implementation); and VMS (testing & implementation)

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	7/20.5/20.5.2/The Recovery of Medicare Duplicate Payment Claims When the Department of Veteran Affairs and Medicare Make Payment on the Same Services
R	7/Table of Contents

III. FUNDING:

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:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

Pub. 100-05	Transmittal: 13046	Date: January 13, 2025	Change Request: 13694
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I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to include the recovery of duplicate payments when both Medicare and the Department of Veteran Affairs made payment for the same services. CMS and associated stakeholders previously designed and developed an automated Duplicate Payment (DP) process to assist in adjusting and recovering Medicare claims. This change request (CR) updates the current Medicare Secondary Payer (MSP) duplicate payment (DP) process to include and instruct A/B and Durable Medical Equipment (DME) MACs to use the automated DP process to adjust and recover VA claims that Medicare mistakenly paid.

II. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to recover duplicate payments made to providers from both Medicare and the VA for which the Centers for Medicare & Medicaid Services (CMS) may seek recovery. The A/B Medicare Administrative Contractors (MACs) and Durable Medical Equipment (DME) MACs automated the Medicare duplicate primary payment (DPP) process to recover secondary payments that rightfully belong to Medicare. The CMS entered into a computer matching agreement (CMA) with the VA which allows CMS to recover duplicate payments made to providers from both Medicare and the VA for which CMS may seek recovery. For those claims that CMS has the right to recover from providers that billed Medicare and the VA for the same services, the A/B MACs and DME MACs shall generally follow the automated DP process and recover claims payments. This process will be referred to as the VADP process and require system modifications to address the business requirements identified in this CR. The VADP file will be sent to CWF by the Medicare Secondary Payer Systems Contractor (MSPSC) for A/B MAC and DME MAC recovery purposes.

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	of the automated VADP process.									
13694.2.1	CWF shall accept the new VA transaction in the VADP from the MSPSC that contains the Medicare Duplicate Payment data for a Medicare and VA beneficiary (see Attachment A for the HUDP File Layout). (Note: This file shall contain VA claims that shall be sent to the correct A/B MAC or DME MAC.)							X	MSPS C	
13694.2.2	The CWF maintainer shall create a separate response file, using the "V", for VADP transactions. Note, CWF will not create a new copy book.							X	MSPS C	
13694.3	For each record received on the VADP file, CWF shall: <ul style="list-style-type: none"> 1. Return each accepted record along with a disposition '01' to the MSPSC; and 2. Return a record with up to four error codes for any records for which errors were found on VADP file to 							X	MSPS C	

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>generated by the shared system or individually by the A/B MAC or DME MAC as part of normal claims processing; and</p> <ul style="list-style-type: none"> Apply all customary CWF editing to the VADP adjustment claims. 									
13694.8	<p>FISS shall accept the new CWF-generated HUPV transaction containing VADP records in the CWFR (Unsolicited Reply) Response File from CWF.</p> <p>(Note: The CWF-transmitted VADP records will contain the claim data for claims that were paid as duplicates by Medicare and need to be adjusted or recovered.</p>					X				
13694.8.1	<p>MCS and VMS shall accept the updated CWF generated HUPV transaction containing VADP records as part of the daily CWF Response File.</p>						X	X		
13694.8.2	<p>The DME MACs shall store the VA claim information sent via the CWF daily CWF Response File, that results in a successful</p>				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	VADP adjustment being created for a minimum of twelve (12) months.									
13694.8.2.1	<p>The A/B MACs (Part A) and A/B MACs (Part B), with assistance as necessary from their HCDC, shall:</p> <ul style="list-style-type: none"> • Store all VADP claim responses from CWF as received by the shared system as part of the VADP process; and • Have the ability to print off all stored VADP reports and related DP information. <p>(Note: All related tasks above shall be available for a minimum of 12 months from the date of creation.)</p>	X	X	X					Hybrid Cloud Data Center (HCDC)	
13694.8.2.2	<p>GDIT shall create, and the DME MACs shall accept, the following pipe delimited files for the DME MACs using the same format that is currently used for the DPP reporting:</p> <ul style="list-style-type: none"> • Daily transaction on the CWF Response file of all VA claim data received from CWF 				X		X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<ul style="list-style-type: none"> Daily transaction file of all errors encountered for the data received from CWF Daily transaction file of all VA claim adjustment claims suspended in VMS Monthly transaction file of all VA adjustment claims suspended in VMS Monthly transaction file of all VA adjustment claims completed without edits (clean) in VMS Monthly transaction file of all VA adjustment claims completed with edits (non-clean) in VMS 									
13694.8.2.2.1	<p>The DME MACs using the pipi-delimited files provided by VMS shall:</p> <ul style="list-style-type: none"> Store all HUDP VA claim responses from 				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>CWF as received by the shared system as part of the VADP process; and</p> <ul style="list-style-type: none"> Have the ability to print off all stored DP reports and related VADP information. <p>(Note: All related tasks above shall be available for a minimum of 12 months from the date of creation.)</p>									
13694.9	FISS, MCS, and VMS shall review the VADP record to determine if an adjustment claim can be created.					X	X	X		
13694.9.1	FISS, MCS, and VMS shall not attempt to create VADP claim adjustments when the Claim Processing Indicator on the VADP record is <u>not</u> equal to "V."					X	X	X		
13694.9.1.1	FISS, MCS and VMS shall include these errant HUPV records on a report for A/B MAC or DME MAC review/intervention for follow-up, as applicable.					X	X	X		
13694.9.2	VMS shall use the HUDP VADP data to systematically generate transactions for the VMS Auto-Adjustment process							X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	daily if records are received from CWF for that jurisdiction.									
13694.9.3	FISS and VMS shall create a VADP adjustment claim from the VADP transactions received on the CWF daily Unsolicited Reply Response File when the required data are present on the VADP transactions.					X		X		
13694.9.3.1	<p>FISS and VMS shall create a VADP adjustment claim when the following required data are present on the VADP transaction:</p> <ul style="list-style-type: none"> • HICN/MBI; • DCN (Note: This may also be known as the ICN or CCN, depending upon the system and A/B MAC or DME MAC involved); • 42 Insurance Type Code (VA) • 1-byte Claims Processing Indicator (valid values=V); • Beneficiary's Last Name; • Beneficiary's First Name; • From and Thru Dates of Service; and • Medicare Claim Total Payment Amount needed for 					X		X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>Recovery from the Physician or Other Supplier for Part B and DME</p> <ul style="list-style-type: none"> • Procedure Codes (MCS and VMS only) • FISS (Part A MAC) shall use the Medicare Claim Total Submitted Charge Amount for recovery/adjustment purposes 									
13694.9.3.1.1	FISS shall allow for VC 42 to include other than inpatient claims to accept VC 42 without cc26 or cc35 for VDP adjustments.					X				
13694.9.4	FISS, MCS and VMS shall reject the VADP claim record/adjustment for A/B MAC or DME MAC review/intervention if the HICN/MBI and Medicare DCN/ICN/CCN cannot be found on active or purged history.					X	X	X		
13694.9.5	FISS, MCS and VMS shall reject the VADP record/adjustment for A/B MAC or DME MAC review/intervention if the Medicare DCN/ICN/CCN included on the VADP record/adjustment has been adjusted previously or recovered.					X	X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
13694.9.6	MCS and VMS shall reject the VADP record/adjustment for A/B MAC (Part B) or DME MAC review/intervention if the VADP record/adjustment contains claim data for a date of service and procedure code that cannot be found on the Medicare DCN/ICN/CCN claim record.						X	X		
13694.9.6.1	FISS shall reject the VADP record/adjustment for A/B MAC (Part A) review/intervention if the record/adjustment contains claim level dates of service that do not match those on the Medicare claim.					X				
13694.9.7	MCS and VMS shall include the VADP record/adjustment on a report for A/B MAC or DME MAC review/intervention when the VADP detail line information does not match the procedure code/modifier and date of service on the Medicare online claim.						X	X		
13694.9.8	MCS and VMS shall include the VADP record/adjustment on a report for A/B MAC or DME MAC review/intervention when the VADP record line number for a claim does						X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	not equal the line number for the claim located within the shared system.									
13694.9.9	The MSPSC shall not include claims for services prior to June 6, 2019. Note, If the A/B MACs and DME MACs recovered/adjusted VA claims for service dates prior to June 6, 2019, due to your current routine recovery processes, no action is required for these claims. You shall continue to adjust these claims, as necessary, under your current recovery processes. Otherwise process recoveries/adjustments for dates of service June 6, 2019 and after as found on the incoming VADP.	X	X	X	X					MSPSC
13694.10	MCS and VMS shall automatically adjust all well-formed VADP Full Replacement records Claims Processing Indicator = V as full claim adjustment with details denied based on the detail information received on the VAP Transaction. Note: A Full Replacement/Full Claim Adjustment means reversing Medicare claim to take back to where Medicare made a full payment or secondary payment on a detail line if a Medicare payment was						X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	made.									
13694.10.1	FISS shall automatically adjust all well-formed VADP Full Replacement records Claims Processing Indicator = V as full recoveries. Note: A Full Replacement/Full Recovery Adjustment means reversing the Medicare claim to take back to where Medicare made a full payment or secondary payment if a Medicare payment was made.					X				
13694.10.2	FISS, MCS, and VMS shall map the VA indicator of "V" from the VADP transaction to the created full claim adjustment. Note, MCS shall map a value of 42 to the detail level Insurer Type field along with the Total Detail Billed Amount in the Primary Allowed and Primary Paid fields so that the Medicare recovered amount is identified in the Savings report.					X	X	X		
13694.10.3	The DME MACs shall add the VA code of "V" to the user table to allow the DME MACs to define the overpayment reason code and overpayment discovery code to be used for auto adjustments.				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
13694.10.3.1	FISS shall populate the adjustment reason code with the New value (40) created by HIGLAS for VADP claims.					X				
13694.10.4	FISS shall map full payments and Medicare's own paid amounts to the claim level to ensure 100 percent recoupment. Note, FISS will follow the "F" process to recover payments as it does under the current DPP process by using the claim total covered charges amount as the primary payer paid amount.					X				
13694.10.5	The A/B MACs and DME MACs and shared systems shall ensure that the Medicare full claim adjustment be included on the MSP savings report under Special Project Savings 9000 – Central Office Savings - under the VA/Other Federal Programs column in the Contractor Reporting of Operational and Workload Data (CROWD) system. Note, that CMS has confirmed that special project number 9000 is already available in CROWD.	X	X	X	X	X		X		
13694.10.5.1	FISS shall update its system when VC 42 is present to allow for the capture of VA recovery savings for VADP					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	adjustments in the CROWD report									
13694.11	The MACs and DME MACs shall ensure that a VA claims adjustment/recovery resulting from a Claims Processing Indicator=V shall be included on the MSP savings report.	X	X	X	X					
13694.12	For VADP VA adjustment claims, all A/B MACs (Part B) and DME MACs shall always set the 935 indicators to "Y." (Note: FISS shall set up the VA indicator for its A/B MACs (Part A) as part of the design for this change request.)		X		X	X				
13694.13	FISS shall ensure that VADP adjustment claims are processed using Type of Bill (TOB) frequency code "M."					X				
13694.13.1	FISS shall always use the value F (Fiscal Intermediary) as the adjustment requestor identifier for VADP adjustment claims.					X				
13694.13.2	FISS shall add UAC 'Q' to the adjustment so the claim adjustments do not hit Medical Policy edits.					X				
13694.14	To ensure that A/B MACs and DME MACs					X	X	X		

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>receive systematic reporting tied to the VADP process, FISS, MCS and VMS shall create/update existing daily reports to document the VADP records received from the CWF HUVP Transaction processing. .</p> <p>(Note: The daily reports shall contain granular, detailed information.)</p>									
13694.14.1	<p>VMS shall ensure that VA reporting will be generated from the VMS Auto-Adjustment process for the "VADP reprocessing."</p> <p>(Note: CMS presumes that this is for VADP records with a Claims Processing Indicator equal to "V")</p>						X			
13694.14.2	<p>FISS, MCS and VMS shall create/update existing a daily report that documents the VADP Adjustments that are successfully created from the VADP transactions.</p> <p>(Note: The daily reports shall contain granular, detailed information.)</p>					X	X	X		
13694.14.3	<p>FISS, MCS and VMS shall:</p>					X	X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<ol style="list-style-type: none"> 1. Create/update existing a daily report that documents VADP transactions that errored out and did not result in the creation of VADP Adjustments; and 2. Make the report systematically available for the appropriate A/B MAC or DME MAC for review/intervention . <p>(Note: The daily reports shall contain granular, detailed information.)</p>									
13694.14.3.1	<p>FISS, MCS and VMS shall also:</p> <ol style="list-style-type: none"> 1. Create/update existing a daily report of any VADP adjustment DCNs/ICNs/CCNs that are in a suspense location due to failed edits/audits; and 2. Make the report systematically available for the appropriate A/B MAC or DME MAC for review/intervention . <p>(Note: CMS presumes that the VADP adjustment was</p>					X	X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	created but encountered normal systematic edits/audits under this scenario.)									
13694.14.3.2	FISS, MCS and VMS shall include detail regarding what required data elements were missing or what specific issue was encountered that prevented successful adjustment claim creation, when creating the daily reports for the scenarios discussed in BRs 14.3 and 14.3.1.					X	X	X		
13694.15	FISS, MCS and VMS shall report off-line (purged from history) claims that could not be retrieved in the system and send this information to the appropriate A/B MAC or DME MAC daily for review and resolution.					X	X	X		
13694.15.1	Once the shared systems send the report mentioned in 13694.15 to the associated A/B MAC or DME MAC, the A/B MAC or DME MAC shall work these VADP VA transactions manually, in order to capture manually VADP savings. (Note: CMS will provide further guidance regarding time frames for completion of this task as part of updated Joint Operating Agreements as well as in the Quality	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	Assurance Surveillance Plan standards if an update is required for this CR.)									
13694.15.2	<p>FISS, MCS and VMS shall:</p> <ol style="list-style-type: none"> 1. Create/update existing a daily report for pending (i.e., not finalized) VADP Adjustments created from the VADP transactions; and 2. Make this information available for the associated A/B MACs or DME MACs for review. 					X	X	X		
13694.15.3	<p>FISS, MCS and VMS shall:</p> <ol style="list-style-type: none"> 1. Create/update existing a daily report of all successful VADP adjustments that have finalized and did not pend for review/intervention by the A/B MACs and DME MACs; and 2. Make this information available to the associated A/B MACs or DME 					X	X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	MACs for review.									
13694.15.4	<p>FISS and VMS shall ensure that the daily VA report contains claim payment and beneficiary specific information.</p> <p>(Note: The daily report shall contain high-level/summary-level detail and not the granular detail provided in the detail report.)</p>					X		X		
13694.16	<p>The DME MACs with assistance from their HCDC shall:</p> <ul style="list-style-type: none"> • Store all VADP-related reports created from the shared system as part of the VADP process; and • Have the ability to print off all stored VADP reports and related VADP information. <p>(Note: All related tasks above shall be available for a minimum of 12 months from the date of creation.)</p>				X				Hybrid Cloud Data Center (HCDC)	
13694.17	MCS shall create a VADP transaction to the current Response Generator to simulate the receipt of a VADP file from CWF for						X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	the User Acceptance Testing (UAT) testing regions.									
13694.17.1	VMS shall update the VMS' CWF Reply Generator to create VADP transactions for testing.							X		
13694.18	<p>The DME MACs shall define the following fields for the event for the new type "VADP reprocessing" when setting up the adjustment type in the VMS Auto Adjustment table:</p> <ul style="list-style-type: none"> • Denial Action Code (AC) • APEX value = U • CIP value = Q • RANK • DCN ranges • ORIGIN • DEPT • LOCN • TYPE (42) • R/D • ITEM STAT • Notes: <p>1. CMS presumes that this table is</p>				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>being used for the creation of Claims Processing Indicator of “V” VADP adjustment actions.</p> <p>2. CMS presumes that this business requirement is a DME MAC requirement and not a VMS systems requirement.</p>									
13694.18.1	The A/B MACs (Part B) shall complete all required fields within the MCS-supplied VADP Adjustment Control table prior to implementation of the automated VADP process for VA claims.		X							RRB-SMAC
13694.19	The indicated shared systems shall always set the mass adjustment indicator to “O” in the claim header “mass adjustment indicator” when sending VADP adjustment claims to CWF for normal processing.					X	X	X		
13694.19.1	The indicated shared systems shall always set the 23rd position of the Beginning of the Hierarchical Transaction Reference Identification (BHT03) file indicator to "S" (Mass Adjustments/other) for VADP adjustment claims for COBA processing					X	X	X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	purposes. Will the VADP claims impact the COBA process when Medicare claims are recovered?									
13694.19.2	VMS shall also include the value "S" in the 23rd byte in field 504-F4 (Message) of any outbound National Council for Prescription Drug Programs (NCPDP) batch COB claims that result from VADP adjustments. Will the VADP claims impact the COBA process when Medicare claims are recovered?						X			
13694.20	For VADP adjustments, A/B MACs and DME MACs shall process these claims as 935 adjustments, as set by the assigned reason/discovery code. (Notes: 1. The exception to this requirement is provider- initiated or requested adjustments, which are not subject to the 935 requirements; for more information, see Pub.100-06, chapter 3, section 200. 2. CMS assumes that FISS automatically sets up the VADP adjustment claims with the 935 indicator properly	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	set.)									
13694.21	This business requirements has been deleted.		X	X	X					
13694.22	This business requirement has been deleted.	X	X	X	X				X	
13694.23	This business requirement has been deleted.	X	X	X	X					
13694.24	The MSPSC, CWF, and the Part A MACs, Part B MACs and the DME MACs shall participate in User Acceptance Testing (UAT) which will begin on 2/10/2025. HIGLAS will be able to support UAT beginning 2/24/25.	X	X	X	X				X	Hybrid Cloud Data Center (HCD C), MSPIC, MSPSC
13694.25	All testing entities shall develop their individual test environments accordingly based on the requirements of this CR.	X	X	X	X	X	X	X	X	CMS, MIST, MSPIC, MSPSC
13694.25.1	Upon receipt of the test MBIs, the A/B MACs and DME MACs participating in UAT testing shall copy production claims data and any supporting data into their UAT test regions.	X	X	X	X					
13694.26	All involved testing entities shall send all test data via secure email.	X	X	X	X				X	MSPSC
13694.26.1	All involved testing entities shall communicate to all testers their secure	X	X	X	X				X	MSPSC

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	email or resource email box details/link.									
13694.26.2	<p>In reporting MSPSC-specific problems identified during testing, the A/B MACs and DME MACs shall:</p> <ol style="list-style-type: none"> 1. Capture the Medicare ICN associated with the VADP claim, and the VA claim id, as derived from the incoming VADP test file; and 2. Make those identifiers available to the MSPSC for problem research purposes. <p>Note, the MSPSC shall use the insurer name field on the VADP to share the VA Claim ID with the A/B and DME MACs. All involved testing entities shall send all test data via secure email.</p>	X	X	X	X					MSPIC , MSPSC
13694.27	<p>The MSPSC and the A/B MACs and DME MACs shall participate in test case development as necessary.</p> <p>Note: CMS assumes the A/B MACs and DME MACs will modify the MSPSC-supplied test data as necessary to test MAC-specific test scenarios not</p>	X	X	X	X					MSPIC , MSPSC

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	strategy as a result of initial testing calls.									, MSPS C
13694.34	<p>The A/B MACs and DME MACs shall use the following messages, as applicable, on their remittance advice and Medicare Summary Notice when VADP claims are recovered or adjusted :</p> <ul style="list-style-type: none"> • Claim Adjustment Reason Code (CARC) 16 - Claim/service lacks information or has submission/billing error(s). • Group Code (GC): CO Contractual Obligation • Remittance Advice Remark Code (RARC) – M79 - Missing/incomplete/invalid charge. • RARC: MA67 Alert: Correction to a prior claim. • Medicare Summary Notice (MSN) - 31.090 This claim was adjusted because there was an error in billing. • MSN - 16.340 You should not be billed for this service. You are only responsible for any deductible and coinsurance 	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	amounts listed in the "Maximum You May Be Billed" column.									
13694.34.1	FISS shall create a new payment reason code for VADP adjustments					X				
13694.35	The indicated shared systems and A/B MACs and DME MACs shall receive and accept the contractor number ID 90000 found on the VADP file that identifies the claim as a VADP recovery/adjustment.	X	X	X	X	X	X	X	X	
13694.35.1	The indicated shared systems shall create and the A/B MACs and DME MACs shall accept contractor number ID 90000 in its system for purposes of the VADP.	X	X	X	X		X	X	X	
13694.36	Contractors shall make table/file updates to create a new adjustment reason code for overpayments identified under the VA (Veteran Affairs) DP (Duplicate Payment) process. Reason code '40' – The description for the new Reason code is 'VA (Veteran Affairs) DP	X	X	X	X					HIGL AS

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>existing Part A transaction types for adjustment reason code '40'.</p> <p>APROV-CLA (Non-935 overpayment)</p> <p>APROV-CLA-935 (935 overpayment)</p> <p>ABENE-CLA (Beneficiary non-935 overpayment)</p>									
13694.36.7	<p>Part A/B and DME MACs shall use the following verbiage for the 'Reason for Overpayment' in the provider (Part A, Part B, and DME) demand letter enclosure for the new HIGLAS Reason code '40':</p> <p>'The submitted dates of service(s) and procedures have been previously paid resulting in a duplicate payment to be made to you. Medicare does not pay for services that are authorized by the VA, and Medicare regulations prohibit payment for services that are paid for by another government entity.'</p>	X	X	X	X				HIGLAS	
13694.36.8		X	X	X	X				HIGLAS	

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>Part A/B and DME MACs shall use the following verbiage for the 'Reason for Overpayment' in the beneficiary (Part A, Part B, and DME) demand letter enclosure for the new HIGLAS Reason Code '40':</p> <p>‘The submitted dates of service(s) and procedures have been previously paid resulting in a duplicate payment to be made to you. Medicare does not pay for services that are authorized by the VA, and Medicare regulations prohibit payment for services that are paid for by another government entity.’</p> <p>Spanish Translation: HIGLAS shall configure the appropriate Spanish translation provided by CMS</p>									

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: A/B MAC Part A, A/B MAC Part B, A/B MAC Part HHH, DME MAC

V. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
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Section B: All other recommendations and supporting information:N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

Section A: 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.

ATTACHMENTS: 1

Medicare Secondary Payer (MSP) Manual

Chapter 7 – MSP Recovery

Table of Contents

(Rev. 13046; Issued: 01-13-25)

20.5.2 – The Recovery of Medicare Duplicate Payment Claims When the Department of Veteran Affairs and Medicare Make Payment on the Same Services

20.5.2 – The Recovery of Medicare Duplicate Payment Claims When the Department of Veteran Affairs (VA) and Medicare Make Payment on the Same Services (Rev. 13046; Issued: 01-13-25; Effective:01-01-25; Implementation:01-06-25)

The Centers for Medicare & Medicaid Services (CMS) entered into a computer matching agreement (CMA) with the VA which allows CMS to recover duplicate payments made to providers from both Medicare and the VA. For those claims that CMS has the right to recover from providers that billed Medicare and the VA for the same services, the A/B MACs and DME MACs:

- Follow the automated Medicare Secondary Payer (MSP) Health Utilization Duplicate Primary Payment (HUDP) Duplicate Primary Payer (DPP) process, as sited in 20.5.1 above, and*
- Recover claims payments including a modified HUDP DPP claim record layout that will include the VA Duplicate Payment (VADP) claims transaction using the claim indicator value of “V” for identified duplicate VA claims. Note that the VADP claim recoveries are not MSP recoveries as no VA MSP record exists on CWF. This claim recovery activity is referred to as the VADP process.*

The duplicate claim data will be sent from the VA to the CMS Integrated Data Repository (IDR). The IDR provides the VADP recovery claim data file to the MSP System Contractor. The MSP System Contractor submits the VADP information to CWF included with the HUDP DPP file. The VADP file identifies all full denial/recovery claims for MACs to recover from providers, physicians and other suppliers for which Medicare has the right to recover. This file identifies descriptions/list of valid values to reflect required data for VADP claims that contain the necessary VA information for the shared system to identify Medicare claims and for the A/B MACs and DME MACs perform needed adjustments/recoveries. Note, that the MSP System Contractor will not include claims of service prior to June 6, 2019 as the VADP will only include claims for service beginning June 6, 2019. Note, If the A/B MACs and DME MACs recovered/adjusted VA claims for claims of service prior to June 6, 2019, due to current routine recovery processes, the A/B MACs and DME MACs are allowed to continue to accept and adjust these claims, as necessary, under current recovery processes.

CWF accepts the VA transaction from the MSP system contractor that contains the Medicare Duplicate Payment data. This file contains claims information that is sent to the correct A/B MAC and DME MAC for recovery purposes. These records will be sent daily and may not always contain VADP claim. After CWF has transmitted VADP records to the shared system identifying the correct A/B MAC or DME MAC, CWF also accepts all VADP adjustments generated by the shared system, or individually, by the A/B MAC or DME MAC which is part of normal claims processing. CWF applies all customary CWF editing to the VADP recovery/adjustment claims, as necessary.

Once the shared system sends the daily report to the respective A/B MAC or DME MAC, the A/B MAC or DME MAC shall work these VADP recovery transactions, request recovery from the appropriate physician, provider and other suppliers and capture VADP savings. For those claims that do not match the Part A and Part B shared systems reports off-line (purged from history) claims and could not be retrieved in the system send this claim information to the appropriate A/B MAC or DME MAC daily for review and manual resolution. The shared systems include detail regarding what required data elements were missing or what specific issue was encountered that prevented successful adjustment claim creation when creating the daily reports. A/B MACs and DME MACs will resolve these claims issues manually. Those claims that are resolved must also be reported as VA Savings, manually too as necessary.

All A/B MACs (Part B) and DME MACs shall always set the 935 indicators to “Y.” For VADP adjustments, A/B MACs and DME MACs shall process these claims as 935 adjustments, as set by the assigned reason/discovery code. FISS automatically sets up the VADP adjustment claims with the 935 indicator properly set. The exception to this requirement is provider-initiated or requested adjustments, which are not subject to the 935 requirements (for more information, see Pub.100-06, chapter 3, section 200.) Note, when there is conflicting information between the data on the VADP record and the claim

within the A/B MAC or DME MAC's claims history and there is no manual resolution to the claim, the A/B MAC or DME MAC will cancel the VADP claim and no VA savings is taken. Follow your current policy and procedures on resolving claims issues like this when recovering Medicare payments from providers.

The A/B MACs (Part A) and A/B MACs (Part B), with assistance as necessary from their DRaaS-CACHE Data Center (s),

- Stores all VADP claim responses from CWF, as received by the shared system, as part of the VADP process; and*
- Have the ability to print off all stored VADP reports and related DP information.*

(Note: All related tasks above shall be available for a minimum of 12 months from the date of creation.)

The A/B MACs and DME MACs shall use the following messages, as applicable, on their remittance advice and Medicare Summary Notice when VADP claims are recovered/adjusted:

Claim Adjustment Reason Code (CARC) 16 - Claim/service lacks information or has submission/billing error(s).

Group Code (GC): CO - Contractual Obligation

Remittance Advice Remark Code (RARC) – M79 - Missing/incomplete/invalid charge.

RARC: MA67 Alert: Correction to a prior claim.

Medicare Summary Notice (MSN) - 31.090 - This claim was adjusted because there was an error in billing.

MSN - 16.340 - You should not be billed for this service. You are only responsible for any deductible and coinsurance amounts listed in the "Maximum You May Be Billed" column.

VA Savings

The A/B MACs and DME MACs and shared systems shall ensure that the VADP Medicare recovery/adjustments be included on the MSP savings report under Special Project Savings 9000 – Central Office Savings - under the VA/Other Federal Programs column in the Contractor Reporting of Operational and Workload Data (CROWD) report. When Value Code 42 is present on a claim, the FISS system and Part A MACs allow for the capture of VA recovery savings for VADP adjustments under Special Project Savings 9000 – Central Office Savings under the VA/Other Federal Programs column in the CROWD report.