



Modify Edits in the Fee for Service (FFS) System when a Beneficiary has a Medicare Advantage (MA) Plan

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Related Change Request (CR) Number: 11580

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Effective Date: Claims received on or after October 1, 2020

Related CR Transmittal Number: **R10229CP**

Implementation Date: October 5, 2020

Note: We revised this article to reflect a revised CR 11580, issued on July 21, 2020. In the article, we revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.

PROVIDER TYPES AFFECTED

This MLN Matters article is for providers, especially hospitals, submitting claims to Medicare Administrative Contractors (MACs) for Part A services provided to Medicare beneficiaries when a beneficiary's Medicare Advantage (MA) plan becomes effective during the inpatient admission.

WHAT YOU NEED TO KNOW

CR 11580 modifies Medicare system edits on inpatient claims when a beneficiary's MA plan becomes effective during the inpatient admission. Also, the Centers for Medicare & Medicaid Services (CMS) is streamlining the editing for MA plans' claims when it is determined that certain services are being disallowed on MA plans that are considered a significant cost under Section 422.109(a)(2) of title 42 of the Code of Federal Regulations (CFR). Original Fee-For-Service (FFS) Medicare will pay for services obtained by beneficiaries enrolled in MA plans in this circumstance.

BACKGROUND

When a Medicare beneficiary enrolls in an MA plan, the MA benefits replace traditional FFS claims payment. For inpatient claims (hospital claims paid under a prospective payment system), Medicare policy states that the payer at the time of admission will continue to be responsible for any inpatient stay when a beneficiary enrolls or dis-enrolls from an MA plan after the admission date and prior to the hospital discharge. When a beneficiary is admitted as an inpatient and does not have Part A hospital benefits remaining or benefits exhaust during the stay, Medicare allows the provider to submit a claim for ancillary services that are payable under Part B on Type of Bill (TOB) 012X. The beneficiary is still classified as an inpatient even though

no Medicare Part A benefits are payable, as stated in 42 CFR 422.318.b.1.

CMS is aware of an issue where its Common Working File (CWF) is incorrectly rejecting TOB 012X when the beneficiary enrollment in an MA plan was effective after the admission date on the claim. This issue also affects providers who submit claims for flu vaccines provided to inpatient beneficiaries during a Medicare Part A covered stay.

Effective October 1, 2016, Medicare reimburses a Skilled Nursing Facility (SNF) or hospital facility for a flu vaccine provided during an inpatient stay. Medicare requires the facility to submit the vaccine on an ancillary claim using the discharge date as the statement covers from and through date.

In addition, CMS is streamlining the editing for MA plans' claims when it is determined that certain services are being disallowed on MA plans that are considered a significant cost under 42 Code of Federal Regulations (CFR) Section 422.109(a)(2). Original fee-for-service Medicare will pay for services obtained by beneficiaries enrolled in MA plans in this circumstance.

Consistent with Section 1862(t)(2) of the Social Security Act (the Act), MACs will pay for identified significant cost services for Medicare beneficiaries enrolled in MA plans. With CR 11580, CMS will update its systems to handle these situations.

Your MAC will allow Condition Code (CC) 78 on inpatient and outpatient claims for MA beneficiaries when it is determined that certain services are being disallowed on MA plans that are considered a significant cost under 42 CFR Section 422.109(a)(2). An update will occur to any current editing that does not allow this scenario.

Note: Condition Code 78 = newly covered Medicare service for which a Health Maintenance Organization (HMO) does not pay.

ADDITIONAL INFORMATION

The official instruction, CR 11580, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10229CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
July 21, 2020	We revised this article to reflect a revised CR 11580, issued on July 21, 2020. In the article, we revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.
May 1, 2020	Initial article released.

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