

Ask the Contractor (ACT) Open Forum

Palmetto GBA OH/WV
Medicare Part B
June 9, 2009



Palmetto GBASM
PARTNERS IN EXCELLENCESM

Topics for Today's Call

- **Maximum Allowed Units (MAUs)** – Robert Kamps, M.D., Medical Director and Robert Ludwig, M.D., Associate Medical Director
- **Medicare Administrative Contractors (MACs)** – Tim Allman
- **Recovery Audit Contractors (RACs)** - Vanessa Williams
- **Open Forum -**
 - Faxed Question Review – Patsy Schwenk and Juan Lumpkin
 - Open Phone Lines - All

Maximum Allowed Units (MAUs)

- Palmetto GBA has implemented automated system edits for most HCPCS drug codes.
- These edits are designed to reduce entry and math errors and are not to limit utilization.
- Drugs and biologicals submitted with quantities that exceed the Palmetto GBA established maximum limits will be denied unless additional supporting documentation is submitted for consideration.
- A Web article is available at:
<http://www.PalmettoGBA.com/boh/articles> or
<http://www.PalmettoGBA.com/bwv/articles> - select “Drugs & Biologicals” and “Drugs & Biologicals: Maximum Allowed Units (MAUs)”

MAUs - Tips for submitting accurate claims:

- Each HCPCS J-code is associated with a specific number of units and type of units.
- Verify the number and type of units associated with the J-code before calculating the quantity on your claim
- Submit the number of units actually administered, not the number of units in the entire vial (there are some exceptions for discarded drugs)
- You may request 'individual consideration' to allow doses that exceed the MAU for a specific beneficiary
- You may request an 'MAU Reassessment' to change the MAU amount for all beneficiaries

Submitting Claims that Exceed the MAU: **Initial Claim (per beneficiary)**

- If the quantity is calculated correctly, but the patient's condition requires a higher number of units than Palmetto GBA will allow, submit supporting documentation (any relevant medical literature and a patient-specific rationale for the dosage administered) with the claim
 - Electronic Claim: Submit the word “fax” and the phrase “Individual consideration”

Submitting Claims that Exceed the MAU: **Subsequent Claims (per beneficiary)**

- If you anticipate multiple claim submissions for the same beneficiary, please wait until you receive the decision on the initial claim for Individual consideration prior to additional claim submissions for Individual Consideration on the same beneficiary
- Palmetto GBA will communicate the decision to allow or deny the individual consideration for MAUs in your remittance notice

Submitting Claims that Exceed the MAU: **Subsequent Claims (per beneficiary)**

- If the initial claim for 'Individual Consideration for Maximum Allowed Units' is allowed, submit subsequent claims for the same beneficiary as follows:
 - Electronic claims: submit the phrase 'Individual Consideration: Maximum Allowed Units' in the electronic documentation record. There is no need to attach additional supporting documentation with subsequent claims for the same beneficiary.

Claims Denied due to MAUs Edits

- If the initial claim for 'individual consideration for Maximum Allowed Units' is denied (remark code CO-153 and reason code N362), you may submit a formal request for Redetermination (first level appeal). These requests must be made in writing within 120 days of the initial claim determination.

Submitting Requests to Change the MAU (all beneficiaries): 'MAU Reassessment'

- You may submit literature to support an MAU revision in the same manner in which you now request reconsideration of an LCD.
 - Please note: this process does not apply to patient-specific 'individual consideration' requests. You must still submit claims for consideration of payment, and you may request Redeterminations for denied claims.
- To request an MAU reassessment, please enter the HCPCS code and 'reassessment' in the subject line of your e-mail or fax and attach peer-reviewed medical literature and a detailed description of your request to:
 - Elaine Jeter, MD
 - Fax: (803) 935-0199
 - e-mail: B.Policy@PalmettoGBA.com
 - **NOTE:** Please allow 30 days after the reconsideration date for system updates.

Medicare Administrative Contractors (MACs)

- Mandated by the Medicare Modernization Act of 2003 (MMA)
- Congress requires CMS to replace current fiscal intermediaries (FIs) and carriers
 - Work administered by MACs
 - Part A, Part B, Home Health & Hospice, DME
- CMS has from 2005 – 2011 to transition work
- Contracts are a base year with 4 option years
 - Contracts re-competed every 5 years

Medicare Administrative Contractors (MACs)

- Contracts Recently Awarded

- Jurisdiction 11 was awarded to Palmetto GBA

- WV, VA, NC and SC

- For more information on award:

- <http://www.cms.hhs.gov/MedicareContractingReform/downloads/J11AwardBackgroundSheet.pdf>

- Jurisdiction 15 was awarded to Highmark

- OH and KY

- For more information on award:

- <http://www.cms.hhs.gov/MedicareContractingReform/downloads/J15AwardBackgroundSheet.pdf>

- **Awarded contracts are currently under Protest with the Government Accountability Office (GAO)**

- Watch for pending information on contract status!

Medicare Administrative Contractors (MACs)

- Preparing for a Transition from a Carrier to a Medicare Administrative Contractor
 - *Special Edition MLN Matters article SE0837*
 - Developed to assist all providers affected by MAC implementations
 - Communicates expectations of the carrier
 - Identifies pre- and post-award milestones
 - Includes timelines and checklists
 - To help track training topics and dates
 - Keep a schedule of MAC conferences
 - Schedule of MAC implementation dates
 - <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0837.pdf>

Medicare Administrative Contractors (MACs)

- Post-Award Activities – Things to do. . .
 - Watch the mail
 - Sign up for the new MAC’s list-serv
 - Visit the new MAC’s Web site regularly
 - Review the new MAC’s *Frequently Asked Questions (FAQs)* section
 - Participate in the new MAC’s “Ask-the-Contractor Teleconferences” (ACTs) and web-based events
 - Review the new MAC’s local coverage determinations (LCDs)

Medicare Administrative Contractors (MACs)

- Implementation Status
 - CMS plans full implementation by March 2010
 - Watch for list-serv messages and Web site postings for specific dates that will affect you
- More info:
<http://www.cms.hhs.gov/MedicareContractingReform/>
 - Stay informed of the outcome of protest
 - Click on the *What's New* link

Recovery Audit Contractors (RACs)

- Background
 - Improper Payment Information Act (IPIA) requires federal agencies to measure improper payment rates
 - “Improper payments” include over- and underpayments
 - Medicare Modernization Act (MMA) Section 306
 - Required RAC demonstration project
 - Demonstration project
 - Held from March 2005 – March 2008
 - In the States of CA, NY, FL (later added MA, SC and AZ)
 - Collected \$992.7m in overpayments
 - \$693.6m applied back to the Medicare Trust Fund

Recovery Audit Contractors (RACs)

- Tax Relief and Health Care Act of 2006 (TRHCA)
 - Secretary enter contracts with permanent RACs by January 2010
 - MMA / TRHCA gave CMS authority to pay RACs
 - On contingent basis for collecting overpayments
 - Secretary specifics amount paid for identifying underpayments
 - Remaining monies applied back to the Medicare program
 - Limits the RAC “look-back period”
 - Current fiscal year and not more than four prior fiscal years
 - RACs must have staff with appropriate clinical knowledge and experience with Medicare payment rules and regs
 - RAC review could result in fraud and/or abuse investigation

Recovery Audit Contractors (RACs)

- What does this mean to you?
 - RACs will review claim history and request provider medical records
 - There are medical request limits in place
 - http://www.cms.hhs.gov/RAC/03_RecentUpdates.asp
 - Providers will have 45 days to submit records
 - If overpayment is detected, the RAC will pursue payment
 - RAC will retain a portion of all monies recovered
 - For underpayments, the RAC will provide information to contractor to process additional payment to provider
 - File an appeal if you disagree with a RAC's decision
 - 120 days

Recovery Audit Contractors (RACs)

- How can you prepare for RAC implementation?
 - Know identified “risk areas” for improper payments
 - Review OIG and CERT reports
 - <http://www.oig.hhs.gov/oas/cms.asp> and <http://www.cms.hhs.gov/CERT>
 - Appoint a specific person for RAC to contact
 - Name, complete address, phone, fax and email address
 - Respond to medical record requests fully and promptly
 - Track dates and number of requests received
 - Learn from experience
 - Keep track of denied claims and look for patterns
 - Determine actions needed to avoid improper payments
 - Consider internal audits

Recovery Audit Contractors (RACs)

- New RACs Named
 - **Region A:** Diversified Collection Services
 - **Region B:** CGI Technologies and Solutions
 - **Region C:** Connolly Consulting Associates, Inc.
 - **Region D:** Health Data Insights, Inc.
- More info: <http://www.cms.hhs.gov/RAC/>
 - Sign up for RAC list serv messages
 - View schedule of CMS' RAC outreach efforts
 - Under the *Recent Updates* link
- Contact info: RAC@cms.hhs.gov

Open Forum

Question and Answer Session



Palmetto GBASM
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Thank you for attending today's ACT

**Please take the opportunity to
participate in the operator assisted
evaluation**