MEDICARE PART A BULLETIN

January 17, 1997 General Medicare Bulletin G-260

TO: All Medicare Providers

FROM: Andy DePirro, Director, Program Relations

SUBJECT: **MEDICARE SUMMARY NOTICE (MSN) UPDATE: ELIMINATION OF THE "BENEFIT DENIAL LETTER (BDL)"**

ATTENTION MEDICARE BUSINESS OFFICE MANAGERS: Please distribute to all appropriate health care facility personnel.

General Medicare Bulletin G-251, published December 13, 1996, introduced the new Medicare Summary Notice (MSN), and included "How to Read..." brochures detailing the MSN's layout. As indicated via bulletin G-251, Medicare Part A, Blue Cross and Blue Shield of Florida, is currently piloting the new MSN, which replaces the Explanation of Medicare Benefits (EOMB) notice. Ultimately, the MSN will be implemented for all Medicare contractors (Part A Intermediaries and Part B Carriers) on a national basis.

The purpose of this bulletin to is make providers aware that an additional outcome of the MSN implementation is the *elimination of the "Notice of Medicare Claim Determination,"the HCFA-1954 and HCFA-1955 forms, also referred to as the "Benefit Denial Letter "(BDL).* As a result of our implementation of the new MSN, Medicare Part A will no longer generate these BDL notices, effective immediately.

WHAT IS/WAS A BDL (HCFA-1954 and HCFA-1955)?

Historically, BDLs (HCFA-1954 and HCFA-1955 forms) have been used to notify both the Medicare beneficiary and the Medicare provider of service regarding the "...Medicare Claim Determination" (e.g., HCFA-1954 = full denial; HCFA-1955 = partial denial). These notices provided narrative explanation of any non-payment decision, as well as an explanation of any appeal rights applicable to the Medicare beneficiary or the Medicare provider of service.

Now that BDLs have been eliminated, Medicare beneficiaries will receive the information previously conveyed via BDLs through narrative messages contained on the MSN. Providers will no longer receive a separate written notification, or copy of the BDL. Therefore, providers should continue to utilize the coding information (e.g., ANSI reason codes) conveyed via the financial remittance advice to ascertain "reasons" associated with Medicare claim determinations affecting payment.

WHY ELIMINATE THE BDL (HCFA-1954 and HCFA-1955)?

The Health Care Financing Administration (HCFA) implemented the new MSN for a number of reasons, including an easier to read layout for beneficiaries, the standardization of beneficiary payment information as HCFA prepares to implement the Medicare Transaction System (MTS), and the realization of a significant cost savings to the Medicare Program. Since MSNs are released on a processed **summary** basis rather than a processed claim-by-claim basis, Medicare realizes a cost savings based on generation and mailing costs. In addition, eliminating the generation of the **"Notice of Medicare Claim Determination,"the HCFA- 1954 and HCFA-1955 forms, also referred to as the "Benefit Denial Letter "(BDL),** to both beneficiaries and providers, results in additional savings to the Medicare program. It is significant to note that elimination of the BDL is mandated by HCFA as part of the MSN implementation; therefore, all Medicare Part A fiscal intermediaries will cease generating BDLs in conjunction with their implementation of the new MSN.

WHAT REPLACES THE BDL (HCFA-1954 and HCFA-1955)?

There is no "replacement" for the BDL as such; however, other existing notification mechanisms are utilized to communicate the information previously communicated via the BDL.

For Medicare beneficiaries, the information previosly conveyed via BDLs is conveyed through narrative messages contained on the MSN, such as:

> "*Medicare does not pay for this item or service*." (MSN Message No. 16.10)

In addition, the beneficiary's "Appeals Information" is also provided via the MSN:

> "If you disagree with any claims decision on (Part A or Part B) of this notice, you can request an appeal by (date)." [Date = Sixty days from the date of the MSN for Part A appeals; six months from the date of the MSN for Part B appeals.]

For Medicare providers, the information previously conveyed via the BDL is conveyed through ANSI remarks/reason codes reported to providers via the remittance advice, such as ANSI code M17, which indicates:

> "Payment approved as you did not know, and could not reasonably have been expected to know, that this would not normally have been covered for this patient. In the future, you will be liable for charges for the same service(s) under the same or similar conditions." (ANSI code M17)

In addition, certain ANSI codes advise providers of applicable appeal rights and/or appeals information. ANSI codes are reported to providers via:

- The Standard Paper Remittance Advice (hardcopy remittance);
- The Electronic Remittance Advices (ERA); and

• The intermediary's Direct Data Entry (DDE) system (ANSI codes are reflected on page 4 of the individual claim, via menu item "01" at the Main Menu, and menu item "12" at the Inquiry Menu). Further, the intermediary's (five-digit) locally assigned reason code will still be displayed on the claim record.

WHERE CAN I FIND ANSI CODE MESSAGE NARRATIVES?

Providers may reference General Medicare Bulletin G-259, dated January 15, 1997, for a current listing of ANSI codes and their associated narrative messages. In addition, providers utilizing the intermediary's Direct Data Entry (DDE) system may access all ANSI and locally assigned reason codes via the DDE inquiry functions (e.g., "01 Inquiries" at the Main Menu; "17" or "68" at the Inquiry Menu to select locally assigned Reason Codes or ANSI Reason Codes, respectively.)

It is extremely important that providers realize that the elimination of the "Notice of Medicare Claim Determination," the HCFA- 1954 and HCFA-1955 forms, also referred to as the "Benefit Denial Letter "(BDL), will require providers to reconcile Medicare claims adjudication utilizing the ANSI code provided via the financial remittance system (e.g, Standard Paper Remittance or Electronic Remittance Advice) or the intermediary's Direct Data Entry (DDE) system. Effectively immediately, the generation of BDLs has been eliminated.

ADDITIONAL MSN PILOT UPDATE INFORMATION

The HCFA has asked that we share preliminary feedback from Medicare beneficiaries receiving the new MSN from intermediaries participating in the pilot implementation. It appears that some beneficiaries are experiencing difficulty with the Health Care Financing Administration (HCFA) alpha-representation (logo) that appears on the first page of the (MSN) notice. HCFA learned that some beneficiaries were upset because the logo states "HCFA, The Medicare and Medicaid Agency." These beneficiaries expressed concern that this insinuates that they are receiving Medicaid benefits, as well as Medicare benefits.

If you, as a Medicare participating provider, should receive any beneficiary feedback regarding this issue, please assist HCFA in reassuring beneficiaries that HCFA realizes that all Medicare beneficiaries do not receive Medicaid, and all Medicaid beneficiaries do not receive Medicare. It is HCFA's intent to allay our beneficiaries' concerns and, at the same time, not offend those who are eligible for both programs. Therefore, HCFA has provided the following language which may be utilized in this situation:

"In designing the Medicare Summary Notice, HCFA has added its alpha-representation, which shows that HCFA is the "Medicare and Medicaid Agency." Beneficiaries should be aware that although HCFA administers both the Medicare and Medicaid programs, this does not mean that a beneficiary enrolled in one of these programs is necessarily enrolled in the other. Just as an insurance company may offer different programs to serve the different needs of its customers, the Health Care Financing Administration oversees two health care programs, which cater to the different needs of its beneficiaries. Although both the Medicare and Medicaid programs appear two programs."

Questions regarding this bulletin may be addressed to the Medicare Part A Customer Service Department at (904) 355-8899.