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Retroactive Processing Contractor – Reed & Associates, CPAs

Effective August 3, 2009, Reed & Associates, CPAs (Reed) was designated by CMS as the national contractor responsible for processing retroactive transactions for all Medicare Advantage Organizations, Part D Sponsors, Cost-based Plans and PACE Organizations. Under the terms of this contract, Reed validates and processes a number of retroactive requests including those covered by this SOP. All requests submitted by organizations must be in accordance with the processes outlined in this Standard Operating Procedures (SOP) as well as the latest CMS guidance.

Compliance with Standard Operating Procedures (SOPs)

In order to process retroactive requests, formal procedures have been developed by the RPC in accordance with the contract. Any retroactive requests that are submitted by Organizations that do not comply with the guidelines may not be accepted. Careful adherence to these guidelines will ensure that retroactive requests submitted to the RPC will be processed timely and accurately.

ESRD Status Changes - Definition

A beneficiary receives the End Stage Renal Disease (ESRD) status when a physician prescribes a regular course of dialysis because the member has reached that stage of renal impairment that a kidney transplant or a regular course of dialysis is necessary to maintain life. Medicare will pay the organization at the higher, ESRD capitation rate for that beneficiary (unless they have elected hospice care).

Probe Study

In order to assure appropriate oversight, the Retroactive Processing Contractor will periodically conduct a probe study by requesting supporting documentation from various plans. The purpose of these studies is to review and verify that appropriate documentation is maintained by the organization as defined by CMS.

A five percent random sample of plan status changes will be chosen for inclusion in the study. The plan will be notified of inclusion in the probe study via email to the "Probe Study" contact we have on file. It will have 10 business days from the date of the RPC's request to submit supporting documentation. After review of the documentation, the RPC will send the plan a report of the findings. If the documentation is not received or does not support the requested changes, the changes will be nullified. A report will be sent to the plan and to CMS detailing this action.

Requests for Effective Dates Greater Than 6 Months from Received Date

Any requests submitted to the RPC that are for effective dates greater than 6 months before the received date will be classified as "Over 6 Months" requests. Documentation must be provided with the RPC request, therefore these request are not subject to Probe Study. The organization must document why the request was delayed. Examples could include a letter from the plan detailing the situation, a TRR, email threads, etc. Organizations should review all Over 6 issues and determine how to prevent future compliance issues.

CMS Guidance/Regulations

Please refer to the appropriate CMS guidance resource for policy questions and additional details. This may include Chapter 7 of the Medicare Managed Care Manual for the MA program.

The Medicare Managed Care Manual is available under Publication # 100-16 on the web at:
<http://www.cms.hhs.gov/Manuals/IOM/list.asp?listpage=2> .

General Information about ESRD Payments (CMS Pub. 100-16, Chapter 7, § 60.4)

Payments made based on the ESRD health status are paid prospectively. The process of passing the information through the various databases may take as long as four full months from the time a beneficiary is identified by the physician as having ESRD. Therefore, the organization may not begin receiving the ESRD capitation rate for the beneficiary for at least 4 months.

When the health status is included in the capitation rate for the beneficiary who is already in Medicare, the managed care payment system will automatically pay retroactively to include the first month of ESRD health status within 36 months. The health status is based on the first date of dialysis as indicated on the End Stage Renal Disease Medical Evidence Report Medicare Entitlement and/or Patient Registration (Form CMS-2728). In addition, the physician's signature and signature date must be clearly legible before the Renal Networks can enter any information in the Standard Information Management System (SIMS).

Although, Managed Care staff at the Regional Office or Central Office cannot enter ESRD status changes/corrections into MARx, they can resynchronize MARx to the EDB if the systems' data do not match. This process may result in a change in the ESRD status and the associated positive or negative payment. The Renal Networks enter the data from the Form CMS-2728, which is transmitted, to the CMS systems through an automated process. The Form CMS-2728 is the key source of documentation to ensure that a beneficiary will be identified with the ESRD health status indicator and must be

completed within 45 days of beginning a regular course of dialysis or receiving a kidney transplant, which was prescribed by a physician.

The process is as follows:

- The ESRD facility forwards a copy of the Form CMS-2728 to its local Social Security Administration (SSA) Field Office and to its respective ESRD Renal Network organization.
- For individuals diagnosed with ESRD, the SSA determines eligibility for the Medicare ESRD entitlement based on Form CMS-2728 under the end stage renal disease provisions of the law.
- The Renal Network organization inputs the information into its data system, and transmits the information to CMS, Office of Clinical Standards and Quality (OCSQ).
- The CMS Office of Clinical Standards and Quality (OCSQ), updates the information in the (REMIS). The REMIS is CMS' central repository for beneficiaries with ESRD.
- Daily, REMIS updates the Enrollment Database (EDB) with ESRD health status start and/or ends dates.
- Monthly, the EDB updates the MARx system with ESRD health status start and/or end dates for the organization member. The MARx system is the source of information used in computing the monthly capitation rates that the organizations receive.

The organization may request a retroactive adjustment payment at the ESRD capitation rate when the organization has received erroneous payment at the non-ESRD capitation rate for a Medicare beneficiary who is currently receiving maintenance dialysis treatments or has had a successful kidney transplant within the last 36 months. The organization identifies this during the normal monthly reconciliation of the Monthly Membership report, received from CMS, against their own records. (Usually the organizations work along with their medical management department to determine which members are currently receiving dialysis treatment or are within 3 years following a transplant.) By doing this, the organization is able to determine whether they should be receiving the ESRD capitation rate of payment.

The organization must wait at least 4 months from the date the Form CMS-2728 form was signed by the physician to allow for the normal processing of the data before submitting a request for retroactive adjustment. In order to determine when an update will be posted to MARx, note the "Plan Data Due" dates on the MARx Monthly schedule. If corrections are entered in the system prior to this date, then payment will be made the following month. However, if corrections to the beneficiary's record are after this date, payment will be the month following the next payment month. Keep in mind; the above is based on each system being updated timely. The MARx Monthly schedule is produced annually and is part of the Plan Communications Guide located on the web at: <http://www.cms.hhs.gov/MAPDHelpDesk/>. Scroll down the page to the heading "Downloads" and select the MARx Plan Monthly Schedule for the appropriate year.

The organization may contact the appropriate Renal Network to verify specific data related to the discrepancy. The Renal Network will only supply the following information:

1. The first date of dialysis or date of transplant;
2. The Date the beneficiary's Form CMS-2728 was submitted to CMS by the Renal Network; and
3. The Current Renal Status (this information is not required for a retroactive adjustment).

Instructions for Submission to the RPC (Reed & Associates)

Organizations should submit all retroactive ESRD Status Changes to the RPC following the specific guidance contained in this SOP. If organizations have questions regarding the submission, they should contact the RPC's Client Services Department.

Overall, organizations should expect that transactions are received, processed and reported in the same fashion. More discussion will follow, however the general process is noted below:

- A. *Organizations submit the following to the RPC:*
 - i. *A cover letter from the organization.*
 - ii. *The RPC submission spreadsheet.*
 - iii. *Documentation for requests meeting the "Over 6 Months" criteria.*
- B. *The RPC will upload the requests into the tracking system and issue acknowledgement emails and error reports to the Organizations within 5 calendar days.*
- C. *The RPC will review the ESRD status change requests against the CMS' systems within 35 days of the receipt date. If the RPC determines that the requested changes can be made in CMS' systems, the RPC sends a report of the ESRD status change requests to be updated to OCSQ. A final disposition report (FDR) will be issued to the organizations communicating the results of the RPC's review. Organizations should carefully monitor CMS' systems, RPC FDRs (Final Disposition Reports), TRRs (Transaction Reply Reports) and MMRs (Monthly Membership Reports) to ensure that all requested transactions are processed.*
- D. *Organizations should resubmit requests to the RPC within 45 days of the issuance of the FDR if the original request was not processed as requested. Steps A & B should be repeated for all resubmissions.*
- E. *If an organization does not believe that a request has been processed within the 35 day timeframe, they may contact the RPC's Client Services department to request a status update.*

A. Submitting Requests to the RPC

Submissions that meet all of the requirements explained in this SOP should be sent via traceable mail carrier to:

Reed & Associates, CPA's – CMS RPC
Attn: Support Services
14301 FNB Parkway, Suite 211
Omaha, Nebraska 68154
Phone: (402) 315-3660

Organizations should ensure that all packages sent to the RPC have been reviewed very carefully noting that all elements described below are included. Any packages received by the RPC that do not meet the requirements in this SOP will not be processed.

i. Cover Letter

A cover letter should accompany all retroactive requests to the RPC. This letter should, at a minimum, contain the applicable plan number(s) (i.e., H#, S#, R#, E#) and a certification statement which is signed by a member of the Organization. An example of appropriate language for the certification is as follows:

"This signature verifies that the information submitted to the Retroactive Processing Contractor on <date> is accurate and complete. Supporting documentation is being maintained at the organization for each request."

Organizations must retain the original supporting documentation for the requested changes as they may be required to produce it during probe studies and/or a CMS audit.

The cover letter should also include any special circumstances or instructions to assist the RPC in processing requests timely and accurately. For example, if the submission contains requests with effective dates over 6 months ago or resubmissions, the RPC should be able to determine this immediately by reviewing the cover letter.

ii. Submission Spreadsheet

Retroactive requests should be gathered by the Organization on the Excel submission spreadsheet template. It should be password-protected and saved to a CD (*preferred*), flash drive or diskette to be submitted to the RPC. The submission spreadsheet template is available in the **RPC Toolkit** section on the RPC's website: <http://www.reedassociates.org/payvalMMCPV.php> .

The formatting of the submission spreadsheet template should not be changed, or the spreadsheet may not upload properly. Components (including tab names, column headers, column order, cell placement and cell formatting) must be in a proper format to facilitate the upload process. Additionally, there are drop-down boxes for several of the columns which require very specific responses.

If your organization automates the spreadsheet completion process, it is suggested that you review all spreadsheet components carefully (especially the required responses for the drop-down boxes) to avoid upload errors. **The RPC will not upload records that do not meet the standards of the submission spreadsheet.**

In order to assist you in completing the submission spreadsheet, the RPC has developed a Validation Tool for the spreadsheet. It is essential that you take advantage of this tool to avoid common upload errors. Please note that this tool will not catch all upload errors, however it may significantly reduce the number of errors.

In order to take advantage of this helpful tool, it is necessary to click on the “**Enable Macros**” button when opening the spreadsheet. If, when opening the form, you are not prompted to select this option, you may need to lower your Macro Security setting in Excel from “High” to something lower (Tools>Security>Macro Security).

If you elect to “Enable Macros”, then you will be able to use the Validate button. Once pressed, this button runs a program to verify the data in the current tab of the spreadsheet you are working on. If errors are noted, please correct prior to submitting the requests to the RPC.

If you elect to “Disable Macros”, you will still be able to utilize the spreadsheet to submit your requests; however, **if your spreadsheet is not formatted correctly, the likelihood that your submission results in upload errors is increased.**

Specific instructions for how to complete each column of the spreadsheet are included on the spreadsheet itself. Some instructions are listed below the column header and others are included as comments which can be viewed when the mouse pointer is placed on the header. If you have questions on how to complete the spreadsheet, please contact the RPC's Client Services Department.

iii. Documentation Required for "Over 6 Months" transactions

Any requests submitted to the RPC that are for effective dates greater than 6 months before the received date will be classified as "Over 6 Months" requests. Supporting documentation for each Over 6 Months ESRD status change request must be submitted to the RPC, as these transactions are not subject to probe studies. Documentation supporting 1) why the request was not submitted to the RPC timely, and 2) the requested change, must accompany each request. It should be submitted electronically via PDF file (*preferred*) or in paper format. Please note that submitting paper documentation may increase processing time.

In order for your electronic documentation to be accurately matched to the request listed on your submission spreadsheet, you must submit the documentation in a single PDF file for each request. Each request should include the RPC PayVal Documentation Worksheet (found on the RPC's website) along with the specific documents required for the type of transaction and situation (more detail to follow). Organizations should also retain a copy of the request and related documentation submitted to the Retroactive Processing Contractor as part of the record for each beneficiary.

The request will not upload properly if it is not named in the following format (note the dash): [Contract number]-[HIC number] (i.e. H1234-999887777A). Any additional characters or missing information will significantly delay the RPC's upload process.

Documentation Required (Over 6 Months only)

- RPC PayVal Documentation Worksheet documenting why the request was delayed.
- Any additional documentation why the request was delayed. Examples could include a letter from the plan detailing the situation, a TRR, e-mail threads, etc.
- Copy of the Form CMS-2728 form, if there is no period of ESRD established. (The organization must request a copy of the Form CMS-2728 from the dialysis facility NOT from the Renal Network organization.)

B. RPC Uploading Requests & Issuing Acknowledgement Notifications (and Error Reports)

The RPC will upload the requests into the tracking system and issue package receipt acknowledgement notifications within 5 calendar days via email to the Organizations. Any errors that are noted during the upload process will also be communicated to Organizations at that time.

These acknowledgement and error report emails should be carefully monitored by Organizations to ensure that all of the requests are 1) received by the RPC, and 2) uploaded properly. A final

disposition report (FDR) will not be issued when the records cause an error message during the upload process. Records that cause an error message and are resubmitted to the RPC are not considered to be resubmissions because they were never processed due to upload errors.

C. RPC's Review & Issuance of Final Disposition Reports (FDR's)

Valid requests for retroactive adjustments will be reviewed by the RPC within **35 days** of receipt. If the RPC determines that the requested changes can be made in CMS' systems, the RPC sends a report of those requests to OCSQ for manual input and update. Payment adjustments will be made accordingly as CMS processes the changes. Note that payment adjustments are not directly handled by the RPC.

After processing the adjustments, the RPC will provide the organization with a Final Disposition Report (FDR) via email to the Organization. The email will be sent to the person we have on file for all Payment Validation activity (which includes ESRD status changes). The FDR communicates the disposition of the requests to the Organization. The disposition codes and descriptions used by the RPC can be found on our website at www.reedassociates.org/payvalMMCPV.php.

If the request cannot be processed for any reason, the materials submitted to the RPC will not be returned to the Organization; however, the disposition code provided by the RPC on the FDR will indicate why the submission, in whole or in part, could not be completed. The disposition code descriptions should be read very carefully to ensure that the request can be properly resubmitted and processed by the RPC. (See Section D for resubmissions.)

- The Retroactive Processing Contractor will return the request to the plan without action if there have not been at least four (4) months since the beneficiary began dialysis as a Medicare beneficiary.
- The Retroactive Processing Contractor will return the request without action if none of the dates of the revised ESRD status are within the 36 months prior to the request.
- The Retroactive Processing Contractor will return the request without action if the beneficiary was not a member of the plan during the discrepancy period.
- The Retroactive Processing Contractor will return the request without actions if ESRD status is already reflected for the discrepancy period.

D. Resubmissions

Following the issuance of the Final Disposition Report (FDR), organizations may determine (by reviewing the disposition codes provided on the FDR's) the requests that were not processed by the Retroactive Processing Contractor (RPC). Once identified and resolved, organizations may file a resubmission request for previously denied retroactive adjustments. There are specific procedures that must be followed so the system does not reject the submission as a duplicate record and the request can be processed by the RPC.

Please note that records that are not uploaded by the RPC are not issued a FDR. Therefore, the second submission of those records to the RPC **would not** be considered a resubmission request. Organizations should submit those records following the normal procedures since they were never originally entered into the system as a valid request.

In general, all of the steps outlined in sections A through B of the "Instructions for Submission to the RPC" must be followed for a resubmission (including all documentation which supports the request). There are a few additional requirements for resubmissions to be uploaded and processed.

1. *For requests that were coded unfavorably by the RPC:*

Resubmission requests must be sent to the RPC within 45 days of receiving the original FDR for the request.

For requests that were coded favorably by the RPC:

Please allow the CMS Office of Clinical Standards and Quality (OCSQ) a period of four (4) months of receiving the original FDR for the request prior to sending resubmission requests to the RPC.

It is highly recommended that organizations reconcile the FDR's to CMS' Systems prior to resubmitting requests. Organizations can then submit one master submission for all discrepant retroactive requests.

2. Requests for resubmission must be listed on a completely separate spreadsheet file following the standard spreadsheet submission process described above. Intermingling new requests and resubmitted requests on the submission spreadsheet may delay processing.
3. On the cover letter, organizations should clearly state that the request is a resubmission and that it is not a duplicate request. The system may automatically code records as duplicates unless the upload specialist knows that it is a resubmission. Again, stating this in the cover letter will ensure timely processing.

4. Documentation requirements for resubmissions classified as "Over 6 Months" requests are identical the documentation requirements detailed above for "Over 6 Months" requests; however if a request was not processed due to a missing or an inadequate document, Organizations must submit the documentation from the first request *plus* the requested documentation to ensure that the request is processed.

Each resubmission request is carefully considered and if applicable, sent by the RPC to the responsible CMS Regional Office Account Manager (AM) for additional review. If your resubmission has been denied multiple times, it is strongly recommended that you contact the responsible AM for additional direction and/or for their approval.

E. Status Requests

To follow up on specific previously-submitted adjustment requests, a letter (or e-mail) of inquiry must be sent **separately** from retroactive adjustment requests. The correspondence must be sent to the RPC's Client Services Department. It should clearly state that it is a status request for a record that was previously submitted to the RPC.

The request must include following items to conduct research of the request:

- last name, first initial of the beneficiary,
- last 4 digits of the HIC number plus alpha character,
- the plan contract number,
- the PBP number (if appropriate),
- the dates involved, and
- the date the original request was submitted to the RPC.

The organization must never submit duplicate requests unless the Retroactive Processing Contractor specifically requests that duplicate information be submitted. Inquiries on previously-submitted requests can be made in writing, via e-mail, or by phone.

Refer to the Client Services standard operating procedure (SOP) for more information on inquiring about the status of a previously submitted request.

RPC's Client Services Department

Phone: (402) 315-3660
E-mail: clientservices@reedassociates.org

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Omaha, NE 68154