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Retroactive Processing Contractor (RPC) – 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 transactions including those covered by this SOP. All transactions 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 transactions, formal procedures have been developed by the RPC in accordance with the contract. Any retroactive transactions 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 transactions 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).

CMS Guidance/Regulations

Please refer to the appropriate CMS guidance resource for policy questions and additional details.

The Medicare Managed Care Manual is available under Publication # 100-16 on the web at:

<http://www.cms.gov/Manuals/IOM/list.asp?cmdSubmit=Return+to+List&filterType=none&filterByDID=%252D99&sortByDID=1&sortOrder=ascending&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 Renal Management Information System (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 (MRR), 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 retroactive transaction. 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 must submit all retroactive ESRD status change transactions 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 processed and reported in the order received. The following sections provide detailed submission instructions, 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 each beneficiary supporting the retroactive transactions.*
- B. *The RPC will import the transactions into the tracking system and issue acknowledgement emails and error reports to the Organizations within five (5) calendar days.*

- C. The RPC will review the ESRD status change transaction(s) 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 transactions 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), MMRs (Monthly Membership Reports) and OCSQ Response Reports to ensure that all requested transactions are processed.
- D. Organizations must resubmit transactions to the RPC within 45 days of the issuance of the FDR if the original transaction was not processed as requested.
- E. If an organization does not believe that a transaction has been processed within the 35 day timeframe, they may contact the RPC's Client Services department to make a **Transaction Inquiry**. See Section E on how to submit **Transaction Inquiries** to the RPC.

A. Organizations Submitting Transactions to the RPC

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

Reed & Associates, CPA's – CMS RPC
Attn: Support Services
13330 California Street, Suite 200
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.

Note: It is not necessary to send packages for Saturday delivery or for first delivery (before 8 am). Our office is not open during those times and we will not consider your package received until someone in our office signs for it. Due to the sensitive nature of your submission packages couriers may NOT leave packages at our door or with neighboring tenants. If the courier is at fault for delaying your package, exceptions may be granted to use the date the package should have arrived based on your shipment information.

** In accordance with NIST Special Publication 800-111, Guide to Storage Encryption Technologies for End User Devices, encryption mechanisms must be Federal Information Processing Standard (FIPS) approved.*

Submission Packaging Instructions:

i. Cover Letter

A cover letter must accompany all retroactive transactions 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. A copy of the supporting documentation is being maintained at the organization for each transaction."

Organizations must retain the original supporting documentation for the requested transactions as they may be required to produce it during a CMS audit.

The cover letter should also include any special circumstances or instructions to assist the RPC in processing transactions timely and accurately. For example, if the submission contains RO Approval transactions or special handling instructions from an Account Manager, the RPC should be able to determine this immediately by reviewing the cover letter.

ii. Submission Spreadsheet

Retroactive transactions must be gathered by the organization on the Excel submission spreadsheet template. It must be saved and password protected to a CD (*preferred*), flash drive or diskette to be submitted to the RPC (*see important note below in [Section A.iii on saving files to electronic storage media devices](#)*). The submission spreadsheet template is available on the RPC's website ([http://www.reedassociates.org /payvalMMCPV.php](http://www.reedassociates.org/payvalMMCPV.php)) in the **RPC Toolkit** section.

The formatting of the submission spreadsheet template should not be changed, or the spreadsheet may not import properly. Components (including tab names, column headers, column order, cell placement and cell formatting) must be in a proper format to facilitate the importation 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 import transactions 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 importation errors. Please note that this tool will not catch all importation 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 transactions to the RPC.

If you elect to “Disable Macros”, you will still be able to utilize the spreadsheet to submit your transactions; **however, should your spreadsheet not be formatted correctly, some transactions included in your submission may fail to be accepted or imported into our system.**

Specific instructions for how to complete each column of the spreadsheet are included on the spreadsheet itself. Basic instructions are also listed below the column headers. If you have questions on how to complete the spreadsheet, please contact the RPC's Client Services Department.

iii. Documentation Required for all ESRD transactions

Effective immediately, supporting documentation for each retroactive ESRD transaction is required prior to review and processing by the RPC. Retroactive ESRD transactions are no longer subject to Enrollment Data Validation (EDV) review process.

Retroactive transactions covered by this SOP are not subject to Enrollment Data Verification. All organizations must electronically submit their supporting documentation for each transaction covered by this SOP to the RPC as PDF files via an encrypted CD (preferred) or flash drive. If your organization is not capable of submitting the supporting documentation in a PDF file, please contact the RPC to receive a case specific approval to submit the supporting documentation in an acceptable alternative format.

Documentation which has not been approved by CMS will not facilitate processing. Organizations should only submit documentation that is required for processing.

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

The transaction will not import 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 could negatively impact the RPC's review of the transaction.

IMPORTANT: As outlined above, the exact syntax must be used when naming the supporting documentation file to ensure it is imported into our system and correctly matched to the transaction listed on the accompanying Submission Spreadsheet. The standard process for submitting retroactive processing transactions electronically is to encrypt the files and save them to a CD (preferred), flash drive, or diskette to be submitted to the RPC. Because the file name for each supporting documentation file (PDF) contains protected health information (PHI) in the form of a HIC number, additional precautions must be taken to protect the confidentiality of beneficiary information. In order to protect the beneficiary's HIC number from unauthorized disclosure, organizations are advised to adhere to the following encryption instructions:

1. Place all PHI files including the beneficiary specific supporting documentation files and RPC Submission Spreadsheet into a ZIP file (the child ZIP).
2. Next, place or nest the child ZIP file into a second ZIP file (the parent ZIP).
3. Password protect (i.e. encrypt)* the parent ZIP file to prevent unauthorized access to the beneficiary related information.
4. Save the parent ZIP to a CD (preferred) or flash drive to be submitted to the RPC.

Please note: Reed and CMS are currently in the process of developing a secure online submission portal at which point all transactions will be submitted electronically.

** In accordance with NIST Special Publication 800-111, Guide to Storage Encryption Technologies for End User Devices, encryption mechanisms must be Federal Information Processing Standard (FIPS) approved.*

Documentation Required (choose one from list):

- Copy of the Form CMS-2728 form. (The organization must request a copy of the Form CMS-2728 from the dialysis facility NOT from the Renal Network organization.)
- Copy of the Renal Network Report

B. RPC Importing Transactions & Issuing Acknowledgement Notifications (and Error Reports)

The RPC will import the transactions into the tracking system and issue package receipt acknowledgement notifications within five (5) calendar days via email to the Organizations. Any errors that are noted during the importation 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 transactions are 1) received by the RPC, and 2) imported properly. A Final Disposition Report (FDR) will not be issued for the transactions that receive an error message during the importation process. Transactions that cause an error message and are subsequently resubmitted to the RPC are not considered to be resubmissions because they were never processed due to importation errors.

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

Valid retroactive transactions will be reviewed by the RPC within **35 days** of receipt. If the RPC determines that the transactions can be made in CMS' systems, the RPC sends a report of those transactions to the Office of Clinical Standards and Quality (OCSQ) for manual input and update. Note that payment adjustments are not directly handled by the RPC. Payment adjustments will be made accordingly as CMS processes the changes. Note that payment adjustments are not directly handled by the RPC. Please allow a four to five (4-5) month processing period for ESRD status corrections. The MMRs should be utilized to verify ESRD status change transactions have been successfully completed.

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 change transactions). The FDR communicates the disposition of the transactions 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 transaction 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 Retroactive Processing Contractor 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 transaction can be properly resubmitted and processed by the RPC. (See Section D for resubmissions.)

OCSQ will respond to the RPC with the results of the manual input and update. Those results will be relayed to the organization via email in an *OCSQ Response Report*. The email will be sent to the person we have on file for all Payment Validation activity (which includes ESRD status changes).

Organizations must have ongoing membership reconciliation processes that include data comparisons of organization information to all relevant CMS/RPC files and reports including Final Disposition Reports (FDRs), Transaction Reply Reports (TRRs), Monthly Membership Reports (MMRs) and *OCSQ Response Reports*.

If an organization has concerns or questions regarding the determination made by the RPC, they should first contact the RPC's Client Services department by using the Transaction Inquiry form described in Section E. If a transaction is found to have been processed incorrectly by the RPC, then Reed's Quality Assurance department will work with the RPC Processing team to correct the transaction. For transactions or other matters that cannot be resolved by the RPC, organizations should contact their local Account Manager for further assistance.

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 transactions that were not processed by the Retroactive Processing Contractor (RPC). Organizations may file a resubmission transaction for previously denied retroactive transactions, once the issues has been identified and resolved.

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

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

1. *For transactions that were coded unfavorably by the RPC:*
Resubmission transactions must be sent to the RPC within 45 days of receiving the original FDR for the transaction.

For transactions that were coded favorably by the RPC:

Please allow the CMS Office of Clinical Standards and Quality (OCSQ) a period of four to five (4-5) months of receiving the original FDR for the transaction prior to sending resubmission transactions to the RPC.

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

2. Resubmission transactions must be listed on the Excel submission spreadsheet template following the standard submission process described in Section A.
3. On the documentation worksheet, organizations should clearly state that the transaction is a resubmission and that it is not a duplicate transaction. Not stating this in the documentation worksheet could negatively impact the RPC's review of the requested transaction.
4. Documentation requirements for resubmissions are identical to the documentation requirements detailed above; however, if a transaction was not processed due to a missing document, organizations must submit the documentation from the first transaction *plus* the requested documentation to ensure that the transaction is processed.

If your resubmission has been denied multiple times, it is strongly recommended that you contact your AM for additional direction and/or a case-specific approval.

E. Transaction Inquiries

To follow up on specific previously-submitted transactions and/or other work processed by the RPC, an inquiry may be made via email or telephone to our Client Services Department. For inquiries referencing PHI sent via email, organizations are advised to complete the RPC Transaction Inquiry Excel template as instructed below.

Completing the RPC Transaction Inquiry Excel Template:

1. Input the following information associated with the submitted transaction:
 - a. Inquiry Type (select the type of inquiry for this transaction)
 - b. Explanation (If you selected "Question on Rejection" or "Other", please include a brief explanation on your inquiry)
 - c. HICN (beneficiary's HICN)
 - d. First Name (beneficiary's first name)
 - e. Last Name (beneficiary's last name)
 - f. Contract Number (contract number associated with the transaction)
 - g. PBP Number (if appropriate)
 - h. Transaction type (e.g. Enrollment, LIS, Reinstatement, etc...)

- i. Effective Date
 - j. RPC Receipt Date (the day the RPC acknowledged receipt of the transaction)
 - k. Tracking number from the mail courier
2. Password protect (i.e. encrypt*) the template prior to emailing to prevent the unauthorized use or disclosure of PHI. Note: A follow-up email or phone call informing Client Services of the password will be required before Client Services can investigate the inquiry.
 3. Email password-protected templates to clientservices@reedassociates.org

The RPC Transaction Inquiry template can be found on the RPC Client Services webpage at <http://www.reedassociates.org/payvalServices.php>

** In accordance with NIST Special Publication 800-111, Guide to Storage Encryption Technologies for End User Devices, encryption mechanisms must be Federal Information Processing Standard (FIPS) approved.*

Note: Organizations should not submit duplicate transactions unless the Retroactive Processing Contractor specifically requests that duplicate information be submitted. All other inquiries on previously-submitted transactions can be made via e-mail or by phone.

RPC's Client Services Department:

Reed & Associates, CPAs – CMS RPC
Attn: Client Services Department
13330 California Street, Suite 200
Omaha, Nebraska 68154

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