mln BOOKLET

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MEDICARE BILLING: FORM CMS-1500 AND THE 837 PROFESSIONAL

TARGET AUDIENCE:

Medicare Fee-For-Service Providers

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CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Medicare Learning Network®

CONTENTS

WHAT ARE THE 837P AND FORM CMS-1500?

837P

The 837P (Professional) is the standard format used by health care professionals and suppliers to transmit health care claims electronically. Review the chart below ANSI ASC X12N 837P for more information about this claim format.

Form CMS-1500

The Form CMS-1500 is the standard paper claim form health care professionals and suppliers use to bill Medicare Administrative Contractors (MACs) when a paper claim is allowed. Centers for Medicare & Medicaid Services (CMS) designates the 1500 Health Insurance Claim Form as the CMS-1500 (02/12) and the form is referred to throughout this fact sheet as the CMS-1500.

In addition to billing Medicare, the 837P and Form CMS-1500 may be suitable for billing various government and some private insurers. Data elements in the CMS uniform electronic billing specifications are consistent with the hard copy data set to the extent that one processing system can handle both.

ANSI ASC X12N 837P

The American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12N 837P (Professional) Version 5010A1 is the current electronic claim version.

To learn more, visit the ASC X12 website.

ANSI = American National Standards Institute
ASC = Accredited Standards Committee
X12N = Insurance section of ASC X12 for the health insurance industry's administrative transactions
837 = Standard format for transmitting health care claims electronically
P = Professional version of the 837 electronic format
Version 5010A1 = Current version of the Health Insurance Portability and Accountability Act (HIPAA) electronic transaction standards for health care professionals and suppliers.

The National Uniform Claim Committee (NUCC) developed a crosswalk between the ASC X12N 837P and the hard copy claim form. MACs may also include a crosswalk on their websites.

IMPLEMENTATION AND COMPANION GUIDES FOR ELECTRONIC TRANSACTIONS

Health care professionals or suppliers billing electronic claims must comply with the ASC X12N implementation guide. The 837P Health Care Claim: Professional Implementation Guide is available for purchase and provides instructions on the content and format requirements for each of the standards' requirements. ASC X12N implementation guides are the specific technical instructions for implementing each of the adopted HIPAA standards and provide instructions on the content and format requirements for each of the standards' requirements. These documents are written for all health benefit payers, not specifically for Medicare. You can purchase Implementation Guides, including Version 5010 Consolidated Guides from the Washington Publishing Company.

CMS publishes a companion guide to supplement the implementation guide and to provide further instruction specific to Medicare. The 5010A1 Part B 837 Companion Guide provides specific 837P claim loop and segment references.

Please note, the implementation guides and companion guides are technical documents and health care professionals or suppliers may require assistance from software vendors or clearinghouses to interpret and implement the information within the guides.

MEDICARE CLAIMS SUBMISSIONS

The Medicare Claims Processing Manual (Internet-Only Manual [IOM] Pub. 100-04) includes instructions on claim submission. Chapter 1 includes general billing requirements for various health care professionals and suppliers. Other chapters offer claims submission information specific to a health care professional or supplier type. Once in IOM Pub. 100-04, look for a chapter(s) applicable to your health care professional or supplier type and then search within the chapter for claims submission guidelines. For example, Chapter 20 is entitled Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS).

Visit Chapter 24 to learn more about electronic filing requirements, including the Electronic Data Interchange (EDI) enrollment form that must be completed prior to submitting Electronic Claims or other EDI transactions to Medicare. Refer to Chapter 26 to learn what should be included in each field of the CMS-1500. The Medicare Benefit Policy Manual (IOM Pub. 100-02) and the Medicare National Coverage Determinations (NCD) Manual (IOM Pub. 100-03) both include coverage information that may be helpful in claims submission. Search for coverage guidance once within a chapter.

CODING

Correct coding is key when submitting valid claims. To ensure claims are as accurate as possible, use current valid diagnosis and procedure codes and code the claims to the highest level of specificity (maximum number of digits available). Chapter 23 of the Medicare Claims Processing Manual is entitled Fee Schedule Administration and Coding Requirements and includes information on diagnosis coding and procedure coding, as well as instructions for codes with modifiers.

Diagnosis Coding

The International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM), is currently used to code diagnostic information on claims. Visit the Centers for Disease Control and Prevention website to access ICD-10-CM codes electronically or you may purchase hard copy code books from code book publishers.

Procedure Coding

Use Healthcare Common Procedure Coding System (HCPCS) Level I and II codes to code procedures on all claims. Level I Current Procedural Terminology (CPT-4) codes describe medical procedures and professional services. CPT is a numeric coding system maintained by the American Medical Association (AMA). Visit the AMA Bookstore to purchase the CPT code book.

The Medicare Learning Network® (MLN) has an Evaluation and Management (E/M) codes guide. These codes are a subset of HCPCS Level I codes.

Level II of the HCPCS is a standardized coding system used primarily to identify products, supplies, and services not included in the CPT codes, such as ambulance services and DMEPOS, when used outside a physician's office or injections administered within a physician's office or clinic. Because Medicare and other insurers cover a variety of services, supplies, and equipment that are not identified by CPT codes, the Level II HCPCS codes, or alpha-numeric codes as they may be referred to, were established for submitting claims for these items. To view these codes, you may review the HCPCS code book or visit the Alpha-Numeric HCPCS webpage.

SUBMITTING ACCURATE CLAIMS

Health care professionals and suppliers play a vital role in protecting the integrity of the Medicare Program by submitting accurate claims, maintaining current knowledge of Medicare billing policies, and ensuring all documentation required to support the medical need for the service rendered is submitted when requested by the MAC.

Modifiers

Proper use of modifiers with procedure codes is essential to submitting correct claims. The AMA's CPT code book includes HCPCS Level I codes and modifiers, while the HCPCS code book includes HCPCS Level II codes and related modifiers. Resources about modifiers on the CMS website include:

- The Modifier 59 article which explains the correct use of -59 as a distinct procedural service.

- The Physician Bonuses webpage which outlines whether or not a modifier is required to receive the Health Professional Shortage Area (HPSA) bonus payment.

- Chapters of the Medicare Claims Processing Manual (IOM Pub. 100-04) which also offer modifier information. For example, Chapter 30 includes information related to modifiers for Advance Beneficiary

In addition to correct claims completion, Medicare payment requires that an item or service:

- Meets a benefit category
- Is not specifically excluded from coverage
- Is reasonable and necessary

In general, fraud is defined as making false statements or representations of material facts to obtain some benefit or payment for which no entitlement would otherwise exist.

Abuse describes practices that, either directly or indirectly, result in unnecessary costs to the Medicare Program.

It is a crime to defraud the Federal government and its programs. Punishment may involve imprisonment, significant fines, or both under a number of laws including the False Claims Act, the Anti-Kickback Statute, the Physician Self- Referral Law (Stark Law), and the Criminal Health Care Fraud Statute.

For more information about Medicare Program integrity functions and how health care professionals and suppliers can help to protect Medicare from fraud and abuse, reference the Medicare Program Integrity Manual (IOM Pub. 100-08, Chapter 4). The MLN also provides a booklet titled Medicare Fraud & Abuse: Prevent, Detect, and Report. Learn about the fraud and abuse definitions; laws used to fight fraud and abuse; government partnerships engaged in fighting fraud and abuse; and where to report suspected fraud and abuse.

The MLN also provides provider compliance education products to help health care professionals and suppliers submit accurate claims.

WHEN DOES MEDICARE ACCEPT A FORM CMS-1500?

Initial claims for payment under Medicare must be submitted electronically unless a health care professional or supplier qualifies for a waiver or exception from the Administrative Simplification Compliance Act (ASCA) requirement for electronic submission of claims.

ASCA Exceptions
Before submitting a hard copy claim on the Form CMS-1500, health care professionals and suppliers are required to self-assess to determine whether they meet one or more of the ASCA exceptions. For example, health care professionals and suppliers that have fewer than 10 Full-Time Equivalent (FTE) employees and bill a MAC are considered to be small and might qualify to be exempt from Medicare electronic billing requirements. If a health care professional or supplier meets an exception, there is no need to submit a waiver request.

Waiver Requests
There are other situations when the ASCA electronic billing requirement could be waived for some or all claims, such as if disability of all members of a health care professional's or supplier's staff prevents use of a computer for electronic submission of claims. Health care professionals and suppliers must obtain Medicare pre-approval to submit paper claims in these situations by submitting a waiver request to their MAC.
To learn more about the ASCA waivers and exceptions, visit the Electronic Billing & EDI Transactions webpage

and select one of the ASCA options in the left menu. Refer to Chapter 24, Sections 90-90.6, of the Medicare Claims Processing Manual (IOM Pub. 100-04) for further information on ASCA electronic billing requirements and enforcement reviews of health care professionals and suppliers.

Download a sample of the Form CMS-1500 by visiting the CMS Forms List webpage. In the Filter On box, enter 1500. Copies of the CMS-1500 should not be downloaded for submission of claims, since they may not accurately replicate colors included in the form. These colors are needed to enable automated reading of information on the form. Visit the U.S. Government Bookstore to order the form. The CMS-1500 is also available at printing companies and office supply stores.

TIMELY FILING

Medicare claims must be filed to the appropriate MAC no later than 12 months, or 1 calendar year, after the date of service.

Medicare will deny claims if they arrive after the deadline date. When a claim is denied for having been filed after the timely filing period, such a denial does not constitute an initial determination. As such, the determination that a claim was not filed timely is not subject to appeal.

Medicare uses the line item 'From' date to determine the date of service for claims filing timeliness regarding claims submitted by health care professionals and suppliers that include span dates of service. (This includes Durable Medical Equipment [DME] supplies and rental items.) If a line item 'From' date is not timely but the 'To' date is timely, contractors must split the line item and deny the untimely services as not timely filed.

Medicare regulations allow exceptions to the 12-month time limit for filing claims. To review these exceptions, refer to the Medicare Claims Processing Manual (IOM Pub. 100-04, Chapter 1).

WHERE TO SUBMIT FFS CLAIMS

For beneficiaries enrolled in Original Fee-For-Service (FFS) Medicare, health care professionals or suppliers may submit claims for services to the appropriate MAC. If you have questions, your MACs may have more information. Medicare beneficiaries cannot be charged for completing or filing a claim. Providers may be subject to penalty for violations.

For beneficiaries enrolled in a Medicare Advantage (MA) Plan, health care professionals or suppliers should submit claims to the beneficiary's MA Plan. CMS provides a list of MA Claims Processing Contacts.

Medicare Secondary Payer (MSP)
MSP provisions apply to situations when Medicare is not the beneficiary's primary health insurance coverage. MSP provisions ensure Medicare does not pay for services and items that pertain to other health insurance or coverage is primarily responsible for paying. For more information, reference the Medicare Secondary Payer Booklet and the Medicare Secondary Payer Provisions Web-based Training (WBT) course. The Medicare Secondary Payer webpage offers information on MSP laws and the various ways CMS gathers data on other insurance that may be primary to Medicare offers information on MSP laws and the various methods employed by CMS to gather data on other insurance that may be primary to Medicare.

RESOURCES

FOR MORE INFORMATION ABOUT...	RESOURCE
837-P Health Care Claim: Professional Implementation Guides	http://store.x12.org/store/healthcare-5010-original-guides
5010A1 Part B 837 Companion Guide	https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/CompanionGuides.html
Alpha-Numeric HCPCS	https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/Alpha-Numeric-HCPCS.html
AMA Bookstore	https://commerce.ama-assn.org/store/ui
ASC X12	http://www.x12.org
Centers for Disease Control and Prevention	https://www.cdc.gov/nchs/icd/icd10cm.htm
CMS Forms List	https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-List.html
Evaluation and Management Services Guide	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243514.html
Internet-Only Manuals (IOMs)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html
Medicare Administrative Contractor (MAC) Website List	https://go.cms.gov/MAC-website-list
Medicare Advantage (MA) Claims Processing Contacts	https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-Claims-Processing-Contacts.html
Medicare Benefit Policy Manual (IOM Pub. 100-02)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673.html
Medicare Claims Processing Manual Chapter 1- General Billing Requirements	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf
Medicare Claims Processing Manual Chapter 20- Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c20.pdf
Medicare Claims Processing Manual Chapter 23- Fee Schedule Administration and Coding Requirements	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c23.pdf

FOR MORE INFORMATION ABOUT...	RESOURCE
Medicare Claims Processing Manual Chapter 24- General EDI and EDI Support Requirements, Electronic Claims, and Mandatory Electronic Filing of Medicare Claims	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c24.pdf
Medicare Claims Processing Manual Chapter 26- Completing and Processing Form CMS-1500 Data Set	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c26.pdf
Medicare Claims Processing Manual Chapter 30- Financial Liability Protections	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c30.pdf
Medicare Fraud & Abuse: Prevent, Detect, and Report Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/MLN4649244.html
Medicare National Coverage Determinations (NCD) Manual (IOM Pub. 100-03)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS014961.html
Medicare Program Integrity Manual Chapter 4- Program Integrity	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c04.pdf
Medicare Secondary Payer Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243357.html
Medicare Secondary Payer Manual (IOM Pub. 100-05)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017.html
Medicare Secondary Payer Provisions Web-Based Training (WBT)	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining.html
Medicare Secondary Payer Webpage	https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Medicare-Secondary-Payer/Medicare-Secondary-Payer.html
Modifier 59 Article	https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/downloads/modifier59.pdf
NUCC Crosswalk	http://www.nucc.org/images/stories/PDF/1500_claim_form_map_to_837P_v3-3_2012_02.pdf
Physician Bonuses Webpage	https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses/index.html
Provider Compliance Education Products	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/ProviderCompliance.html

FOR MORE INFORMATION ABOUT...	RESOURCE
U.S. Government Bookstore	https://bookstore.gpo.gov
Washington Publishing Company	http://www.wpc-edi.com

HYPERLINKS

EMBEDDED HYPERLINK	WEB ADDRESS
837-P Health Care Claim: Professional Implementation Guides	http://store.x12.org/store/healthcare-5010-original-guides
5010A1 Part B 837 Companion Guide	https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/CompanionGuides.html
Alpha-Numeric HCPCS	https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/Alpha-Numeric-HCPCS.html
AMA Bookstore	https://commerce.ama-assn.org/store/ui
ASC X12	http://www.x12.org
Centers for Disease Control and Prevention (CDC)	https://www.cdc.gov/nchs/icd/icd10cm.htm
CMS Forms List	https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-List.html
Evaluation and Management Services Guide	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243514.html
Internet Only Manuals (IOMs)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html
Medicare Administrative Contractor (MAC) Website List	https://go.cms.gov/MAC-website-list
Medicare Advantage (MA) Claims Processing Contacts	https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-Claims-Processing-Contacts.html
Medicare Benefit Policy Manual (IOM Pub. 100-02)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673.html
Medicare Claims Processing Manual Chapter 1-General Billing Requirements	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf

EMBEDDED HYPERLINK	WEB ADDRESS
Medicare Claims Processing Manual Chapter 20-Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c20.pdf
Medicare Claims Processing Manual Chapter 23- Fee Schedule Administration and Coding Requirements	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c23.pdf
Medicare Claims Processing Manual Chapter 24-General EDI and EDI Support Requirements, Electronic Claims, and Mandatory Electronic Filing of Medicare Claims	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c24.pdf
Medicare Claims Processing Manual Chapter 26-Completing and Processing Form CMS-1500 Data Set	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c26.pdf
Medicare Claims Processing Manual Chapter 30-Financial Liability Protections	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c30.pdf
Medicare Fraud & Abuse: Prevent, Detect, and Report Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/MLN4649244.html
Medicare National Coverage Determinations (NCD) Manual (IOM Pub. 100-03)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS014961.html
Medicare Program Integrity Manual Chapter 4-Program Integrity	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c04.pdf
Medicare Secondary Payer Booklet	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1243357.html
Medicare Secondary Payer Manual (IOM Pub. 100-05)	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017.html
Medicare Secondary Payer Provisions WBT	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining.html
Medicare Secondary Payer Webpage	https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Medicare-Secondary-Payer/Medicare-Secondary-Payer.html
Modifier 59 Article	https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/downloads/modifier59.pdf
NUCC Crosswalk	http://www.nucc.org/images/stories/PDF/1500_claim_form_map_to_837P_v3-3_2012_02.pdf

EMBEDDED HYPERLINK	WEB ADDRESS
Physician Bonuses Webpage	https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses/index.html
Provider Compliance Education Products	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/ProviderCompliance.html
U.S. Government Bookstore	https://bookstore.gpo.gov
Washington Publishing Company	http://www.wpc-edi.com

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