State Buy-In Manual
Chapter 7 - Part A Buy-In/Group Payer Transaction Codes

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(Rev. 1, 10-01-03)

Transmittals Issued for Chapter 7

700 - General Information
(Rev. 1, 10-01-03)

The buy-in transaction codes provide a concise, definitive means of communication between CMS and the States. The States are restricted to the use of the following two position numeric codes that should always appear in positions 76 and 77 of the State input record.

> **Accretion action** - codes 61 and 63.
>
> **Deletion action** - codes 50, 51, and 53.
>
> **Simultaneous accretion/deletion action** (closed period) - code 75. The use of this code is restricted to Part A buy-in States.
>
> **State change record** - code 99

The transaction codes used by CMS consist of not less than two, nor more than four numerics which appear in positions 77 through 80 of the record. If CMS is transmitting a two-position transaction code, positions 79 through 80 will be blank. Certain CMS disposition codes are enhanced by an alphabetic sub-code. When a sub-code is appropriate, it appears in position 81 of the record. An explanation of the sub-code is included with the explanation of the transaction code.

The transaction codes used in communication between CMS and the States are defined below. Most transaction codes require no further action on the part of the State. There are instances, however, when additional action by the State is appropriate. Recommended State action is provided along with the explanation of the transaction code.

The transaction codes are listed in numerical order and are self-explanatory. For ease of understanding, codes are illustrated as follows:

> 11XX - The XX is shown here to indicate that the code 11 is a prefix code. The XX represents the last two numeric positions.
>
> 41bb - The bb indicates that the State can receive this transaction code followed by two blanks. Any code displayed in this section followed by the bb is a valid transaction code.

It is important that the State program its system to accommodate all transaction codes and sub-codes.

710 - PART A TRANSACTION CODES

(Rev. 1, 10-01-03)

TRANSACTION CODE	DEFINITION

TRANSACTION CODE   **DEFINITION**

11XX

The code 11 informs the State that the individual was accreted to the State's Part A account. The code 11 is followed by a two-digit numeric code that identifies the source of the transaction or the reason that a specific adjustment action was taken by the Third Party System (TPS) prior to accreting the item to the Third Party Master (TPM). The accretion results in a debit action to the State. Next month, the item will appear on the State's bill as a code 41 (ongoing item). The State is liable for the individual's Part A premium and will be billed monthly until the individual is deleted from the State's Part A account.

1125

The code 1125 informs the State that the effective date in an accretion submitted by the State was adjusted by the TPS to a <u>later</u> date. The adjustment was necessary because the TPM showed a closed period of coverage for the <u>same</u> State that ended later than the accretion date on the State input record. The State accretion was adjusted to the first month <u>after</u> the deletion date on record for the closed period. Next month the item will appear on the State's bill as a code 41 (ongoing item) unless the item is deleted.

1161
1163

The code 1161 or 1163 informs the State that an accretion submitted by the State has been added to the TPM. The accretion date is the same as reported on the State input record except when a code 30 action is present. (The code 30 notifies the State that the accretion will be adjusted to conform to the individual's Medicare entitlement date.) Next month the item will appear on the State's bill as a code 41 (ongoing item) unless the item is deleted.

1165

The code 1165 informs the State that an accretion was processed to the TPM by CMS. The accretion occurred because the State submitted a written request to CMS requesting an accretion action or because an SSO submitted a form CMS-1957 reporting a problem case. If the SSO submits a form CMS-1957 requesting a Part A accretion action, it <u>must</u> be accompanied by a letter from the State confirming that the beneficiary qualifies as a QMB or QDWI. Next month, the item will appear on the State's bill as a code 41 (ongoing item) unless the item is deleted.

<u>State Action</u> - Examine State records to verify the correctness of the accretion. If, after investigation, the State does not agree with the accretion, the State has 2 months following the month in which it received notification of the code 1165 to submit a code 50 deletion to annul the accretion or establish a closed period of buy-in

TRANSACTION CODE	DEFINITION
	coverage. If the code 50 is submitted beyond the two-month rule, the code 1165 will be deleted with a current month deletion.
14bb	This code informs the State that CMS has deleted the Part A record because the beneficiary is entitled to free Part A. CMS may also delete a record as the result of an internal systems adjustment. These occurrences are rare.
15bb	This code informs the State that the individual was deleted from the State's Part A account because SSA's records indicate that the individual currently does not met all the requirements for Medicare (such as age, citizenship or residency).

State Action - If the State has reason to believe that the individual does meet the requirements for Medicare, refer the individual to the SSO to re-establish Medicare entitlement. If Medicare entitlement is re-established, reaccrete the record. |
| 16bb | This code informs the State that according to SSA/CMS records, the beneficiary is deceased. CMS has deleted the beneficiary from the Part A account.

State Action - If the State believes that the individual is alive, obtain corroboration from the SSO. The State may then re-accrete the individual through the automated data exchange. If SSA's records have not been corrected, the State's reaccretion will reject with another code 16. If the State agrees with the fact of death but disagrees with the date of death, obtain corroboration from the SSO before sending a memorandum to CMS requesting an adjustment to the deletion date. |
| 17XX | The code 17 informs the State that the individual was deleted from the State's Part A account. The code 17 is followed by a two-digit numeric code that identifies the reason for the deletion. The deletion may trigger a credit action to the State. The State's liability for the individual's Part A premium ends with the month in which the deletion is effective. If the record is annulled, the State will not have any premium liability for the period. |
| 1728 | This code informs the State that a beneficiary was deleted from the State's Part A account because another State submitted an accretion that was accepted by the TPS.

State Action - The State should examine the Medicaid eligibility |

TRANSACTION CODE	DEFINITION
	record for any beneficiary for whom it receives a code 1728 to ensure that the State's Medicaid eligibility record has been closed. This will prevent a cycle of accretion and deletion actions between States. If the State that receives the code 1728 believes it should retain jurisdiction of the case, it must contact the State that submitted the new accretion in order to resolve jurisdictional issues.
1750	This code informs the State that CMS has processed a code 50 to annul or establish a closed period of buy-in coverage for a code 1165 transaction that was accreted clerically. If the code 50 was submitted within 2 months of the month in which the State received the code 1165, the code 1750 will reflect the deletion date in the code 50 submitted by the State. If the code 50 was not submitted timely, the code 1750 will reflect a current month deletion date.
1751	This code informs the State that the beneficiary was deleted from the State's Part A account based on a deletion record submitted by the State. The code 1751 is limited to the current month or the following month.
1753	This code informs the State that the beneficiary was deleted from the State's Part A account based on a death deletion record submitted by the State.
1759	This code informs the State that the beneficiary was deleted from the State's Part A account by a clerical action in CMS. The clerical action was prompted by a written request from the State (which should be extremely rare) or by a form CMS-1957 submitted by an SSO (which should be extremely rare and must be supported by documentation from the State.) Occasionally, the code 1759 may reflect a deletion date that exceeds the normal retroactivity for a Part A deletion.
20XX 2050 2051 2053	This code informs the State that a deletion action it submitted was rejected because there is no record of ongoing buy-in/group payer coverage for that State under the claim number submitted. State Action - Examine the claim number in the deletion record to ensure that there was not a keying error at input. The claim number in the deletion record must match a corresponding record on the TPM exactly in order for the transaction to be applied. If the claim number was keyed correctly, review the case to ensure that the State did not previously delete the record or that the State did not fail to process a prior code 23 claim number change. If the claim number

TRANSACTION CODE	DEFINITION

<table>
<tr><td></td><td>is correct, examine the history file to determine if a code 1728 was received transferring jurisdiction to another State.</td></tr>
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21XX   This code informs the state that the accretion or simultaneous
2161   accretion/deletion record it submitted cannot be matched to a record
2163   on the EDB. The code 21 is followed by the two-digit numeric
2175   accretion code submitted by the State. Each code 21 contains an
alphabetic sub-code in position 81 that further defines the reject.

Subcode A - There is no record of the claim number on the EDB. The claim number may be absent from the EDB or the claim number in the accretion may contain blanks, alpha characters or special non-numeric characters in positions that should be numeric.

Subcode B - The claim number in the accretion matches the claim number on the EDB record but the personal characteristics differ.

Subcode C - The beneficiary is entitled to free Part A or, in a group payer State, the beneficiary does not have premium Part A entitlement or has not enrolled conditionally for Medicare Part A.

Subcode D - There is no record of Part B buy-in for the beneficiary. The State cannot pay the Part A premium for a QMB beneficiary unless the State is paying the Part B premium.

Subcode E - The State's transaction matches the EDB on name and claim number; however, the beneficiary does not have Medicare entitlement. Although the beneficiary may have previously had Medicare entitlement, there is no Medicare entitlement for the period of time that the State is attempting to buy-in.

State Action - Subcodes A and B - Examine the State's record to ensure that the claim number, name (surname, first name, middle initial) date of birth (month, day, year) and sex code in the accretion record match the corresponding data on the State's record. If there is a discrepancy, correct the appropriate field(s) and resubmit the accretion. If the input record and the State's record are in agreement, examine the Medicare eligibility data on the various Federal eligibility files that the State receives or can access and correct the input record.

State Action - Subcode C - If the beneficiary has free Part A, no further action is necessary. If the beneficiary resides in a group payer State and does not have premium Part A and has not enrolled

TRANSACTION CODE	DEFINITION
	conditionally for Medicare Part A, advise the beneficiary of the need to contact the SSO during the next general enrollment period (GEP) to enroll.
	State Action - <u>Subcode D</u> - If the beneficiary is eligible for Part B buy-in, accrete the beneficiary to the Part B system. After the Part B accretion is accepted by the TPS, submit the Part A accretion.
	State Action - <u>Subcode E</u> - This condition can occur when there was an invalid Medicare enrollment (option codes F or X). It can also occur if there is no Medicare entitlement on the EDB. If the State believes that the beneficiary should be entitled to Medicare, refer the beneficiary to the SSO to resolve the Medicare entitlement issue.
23XX	This code informs the State that the claim number and/or Beneficiary Identification Code (BIC) have been changed. A code 23 may be applied to an accretion, deletion, State change record or to an ongoing code 41.
	<u>State Action</u> - Change the claim number in the State's record and report all future actions under the correct claim number.
23bb	This code informs the State that a claim number change was processed to an ongoing buy-in record.
2350 2351	These codes inform the state that a claim number change was processed to a deletion record.
2361 2363 2375	These codes inform the State that a claim number change was processed to an accretion or to a simultaneous accretion/deletion record.
2399	This code informs the State that a claim number change was processed to a State submitted change record.
24XX	The code 24 informs the State that the accretion or deletion action it submitted was rejected because the effective date was blank, incomplete, or otherwise in error.
	<u>An accretion action</u> will be rejected if the effective date <u>is later than the billing month</u>. It will be orbited for one month if the effective date is equal to the billing month (see transaction code 32).
	<u>A deletion action</u>, other than a death deletion, will be rejected if the

TRANSACTION CODE	DEFINITION
	effective date <u>is equal to or later than the billing month.</u>
	<u>A death deletion</u> (code 53) will be rejected if the effective date (i.e. date of death) <u>is later than the update month.</u>
2450 2451 2453	These codes inform the State that the deletion record it submitted was rejected. Refer to code 24XX for a detailed explanation.
2461 2463 2475	These codes inform the State that the accretion or simultaneous accretion/deletion record it submitted was rejected. Refer to code 24XX for a detailed explanation.
25XX	This code informs the State that the accretion or simultaneous accretion/deletion it submitted was rejected because it duplicates a transaction previously processed by the TPS. In all instances it duplicates a transaction previously submitted by the <u>same</u> State.
2561 2563 2575	These codes inform the State that the accretion or simultaneous accretion/deletion record it submitted duplicates an existing accretion.
27XX	This code informs the State that its intended action was rejected because the transaction contained an impossible transaction code. The input code may be blank, may contain alphabetic characters, or may contain a combination of numerics that do not correspond to established State input codes. If a transaction code is used improperly, e.g., if a code 50 is submitted to delete a code other than a code 1165, the transaction will reject as a code 2750. The reject displays the erroneous input code immediately following the code 27.
29XX 2961 2963 2975	These codes inform the State that the accretion or simultaneous accretion/deletion action it submitted was rejected because there is a <u>death deletion</u> on the EDB which is <u>at least one month earlier</u> than the effective date of the accretion. The code 29 may apply to a new accretion or to a re-accretion. The month and year of death will appear in positions 97 through 102 of the reject record.
	<u>State Action:</u> If investigation establishes that the beneficiary died later than the date of death on SSA/ CMS records or that the beneficiary is alive, contact the SSO to correct the date of death on the MBR. When the date is corrected on the MBR or is removed from the MBR, the updated information will be reflected on the EDB. When the MBR has been corrected, resubmit the accretion

TRANSACTION CODE	DEFINITION
	through the automated data exchange.
30XX 3061 3063 3075	These codes inform the State that the effective date in the State's accretion record required adjustment to a <u>later effective date</u> to conform to the Medicare entitlement date. As a result of this adjustment action, the TPS will create two records from the State accretion record. The <u>first record</u> is a code 30XX that <u>contains the effective date as submitted by the State.</u> The <u>second record contains the adjusted effective date</u> that corresponds to the individual's Medicare entitlement date. The transaction code in this record can be any one of the possible response codes for a State submitted accretion.
32XX	This code informs the State that the effective date in the accretion transaction it submitted is equal to the billing month. An accretion that is equal to the billing month is orbited for one month before it is processed to completion.
41bb	This code informs the State that the beneficiary is on the State's Part A account as an ongoing billing item. The State is responsible for paying the beneficiary's Part A premium and has deletion responsibility if the beneficiary is no longer eligible. The code 41 also means that there has not been a change in the beneficiary's status since the last billing record.
42XX	All code 42XX records represent a <u>credit adjustment</u> to the State's premium liability. Credit actions result from an adjustment to either the buy-in accretion date or the deletion date on the TPM. The adjustment may be applied to an open or a closed record. Adjustments are made for a variety of reasons such as a notification from SSA of a correction to Medicare entitlement or termination dates, a correction in the date of death, or the identification of duplicate billing records on the TPM for the beneficiary.
42bb	This code informs the State of a <u>credit adjustment</u> due to the presence of duplicate billing records on the TPM. The duplicate billing occurred for one or more months of Part A coverage. The duplicate premiums are refunded to the State as a credit adjustment. The transaction date field will be blank if the adjustment action does not involve the current period of buy-in coverage.
4211	This code informs the State that the accretion <u>date</u> on an ongoing record was adjusted to a <u>later date</u>. The adjustment was necessary because the TPS was notified of a change to the beneficiary's

TRANSACTION CODE	DEFINITION
	Medicare entitlement date. The effective date on the TPM was earlier than the corrected Medicare entitlement date.
4214	This code informs the State that the <u>deletion date</u> in an established record was adjusted to an <u>earlier date.</u>
4215	This code informs the State that the <u>deletion date</u> in an established record was adjusted to an <u>earlier date</u> because the individual did not meet all the requirements for Medicare and should have been terminated prior to the deletion date previously recorded.
4216	This code informs the State that the <u>date of death</u> in an established record was incorrect and has been adjusted to an <u>earlier date.</u>
4268	This code informs the State that the <u>accretion date</u> on a TP master record was adjusted to a <u>later date</u> resulting in a credit to the State. The adjustment is the result of a CMS clerical action.
4269	This code informs the State that the <u>deletion date</u> on a TP master record was adjusted to an <u>earlier date</u> resulting in a credit to the State. The adjustment is the result of a CMS clerical action.
43XX	All code 43XX records represent a <u>debit to the State.</u> Debit actions result from the establishment of a closed period of buy-in coverage caused by a retroactive accretion or a simultaneous accretion/deletion action. Debit actions also result from the adjustment of either the accretion effective date or the deletion effective date on a third party master record. The adjusted master record may be an open or closed record. Adjustments occur for several reasons. Most occur as a result of a State request to expand coverage. An adjustment may result from a TPS recovery action to correct a program error.
4361 4363	This code informs the State that an earlier period of buy-in coverage, resulting from a retroactive State accretion, has been established for the State. A State may receive one or more code 4361 or 4363 records from a single input record. These codes always refer to earlier coverage. If ongoing coverage is established, the State will receive a code 1161 or 1163.
4368	This code informs the State that the <u>accretion date</u> on a TP master record was adjusted to an <u>earlier date</u> resulting in a <u>debit</u> to the State. The adjustment is the result of a CMS clerical action.

TRANSACTION CODE	DEFINITION
4369	This code informs the State that the <u>deletion date</u> on a TP master record was adjusted to a <u>later date</u> resulting in a <u>debit</u> to the State. The adjustment is the result of a CMS clerical action.
4375	This code informs the State that a simultaneous accretion/deletion (closed period) has been added to the TPM. The closed period may be the result of a single State input record or may be the result of one or more adjustments to a State input record.
44	This code informs the State that the Part A premium rate was decreased resulting in a credit to the State. A reduced Part A premium will apply if the beneficiary earned at least 30 work credits under Social Security (P.L. 103-66) but does not have enough work credits to be eligible for free Part A. In the Part A Group Payer States, the premium will revert to the base rate (or to the reduced Part A premium rate) if the 10% premium surcharge is removed from the beneficiary's record.
45	This code informs the State that the Part A premium rate was increased resulting in a debit to the State. The Part A premium will increase if the initial Part A premium for the beneficiary was erroneously established at the reduced Part A premium rate and the premium was subsequently increased to the base rate. The premium rate increase will also occur if the initial Part A premium, for a beneficiary who resides in a Part A Group Payer State, failed to include a premium surcharge and the surcharge was subsequently added to the record.
4999	This code informs the State that a request to correct the welfare identification number on a master record was rejected because the claim number or State agency code in the code 99 did not match a master record on the TPM.
50	This deletion code is used by the State to delete or annul a code 1165 accretion posted to the State's buy-in account by CMS as the result of a clerical accretion. The code 50 may be used either to annul buy-in coverage or to enter a termination date that will establish a closed period of coverage. The code 50 must be sent to CMS no later than the second month following the month in which the State receives the code 1165 accretion. For example, if the accretion is processed in the April update, the State will receive the transaction in May. If the State determines that it should submit a code 50, the State must submit the code 50 no later than the July update. If the State submits the code 50 after more than 2 updates have elapsed,

TRANSACTION CODE	DEFINITION

the code 50 will be processed as a current month deletion. The code 50 will be rejected <u>only</u> if the State attempts to apply the code 50 against any code other than the 1165.

If the State is annulling coverage, the effective date of the code 50 deletion must be 1 month <u>prior</u> to the accretion date contained in the code 1165. If the State is establishing a closed period of coverage, the effective date of the code 50 deletion must be the last month in which the individual was a member of the State's coverage group.

51   This deletion code is used by the State to delete a beneficiary from the State's Part A account because the beneficiary is no longer a member of the State's coverage group. Do not use this code for death deletions. The retroactivity of a code 51 deletion is limited to the update month or the update month plus one month. For example, a code 51 deletion processed in the December 2002 update may terminate an individual's coverage December 2002 or January 2003. If the State submits a retroactive deletion date, the TPS adjusts the deletion date so that it conforms to the update month.

53   This deletion code is used by the State to delete an individual from the State's Part A account because the individual is deceased. The effective date of the deletion must be the month and year of death.

61   This code is used by the State to accrete a beneficiary to the State's Part A account. There is no limitation on the retroactivity of an accretion provided all factors of entitlement are met including a <u>timely</u> Medicaid eligibility determination.

NOTE: The QMB program was effective January 1989 and the QDWI program was effective July 1990. The State is responsible for the accuracy of the accretion. When the accretion is accepted by the TPS, the accretion date <u>cannot</u> be adjusted to a later date even if the State later determines that the accretion date it submitted is in error.

63   This code is used by the State to identify accretion records for subsequent State analysis. The code 63 is processed in exactly the same manner as the code 61. The State is responsible for the accuracy of the accretion. When the accretion is accepted by the TPS, the accretion date <u>cannot</u> be adjusted to a later date even if the State later determines that the accretion date it submitted is incorrect.

TRANSACTION CODE	DEFINITION
75	This code is used by the State to designate a request for a simultaneous accretion/deletion action to establish a closed period of buy-in coverage for a beneficiary. The State is responsible for the accuracy of the dates in the simultaneous accretion/deletion record. When the simultaneous accretion/deletion is accepted by the TPS, the accretion date <u>cannot</u> be adjusted to a later date and the deletion date <u>cannot</u> be adjusted to an earlier date even if the State later determines that the date it submitted is incorrect.

The code 75 is restricted to Part A buy-in States. The code 75 should be used infrequently. |
| 99 | This code is used by the State to correct the welfare identification number on an existing Part A record on the TPM. |

Transmittals Issued for this Chapter

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R1SBI7	10/01/2003	Initial Release of Chapter	N/A	N/A