



JSM/TDL-09011, 10-07-08

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## MEMORANDUM

**Date:** October 17, 2008

**From:** Acting Director, Tribal Affairs Group  
Office of External Affairs

Director, Medicare Contractor Management Group  
Center for Medicare Management

**Subject:** Clarification of Coordination of Benefits

**To:** All Fiscal Intermediaries (FIs) and Part A and Part B Medicare  
Administrative Contractors (A/B MACS)

Section 506 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), entitled Limitation on Charges for Services Furnished by Medicare Inpatient Hospitals to Individuals Eligible for Care Purchased by Indian Health Programs (72 Federal Register 30706, June 4, 2007, for the implementing regulation), entitles Indian Health Programs to pay Medicare-like rates to Medicare-Participating hospitals for patients that receive hospital services outside of the Indian Health Service (IHS). The Centers for Medicare and Medicaid Services (CMS) issued two previous Joint Signature Memorandum/Technical Direction Letters (JSM/TDL): JSM/TDL-07484, dated July 26, 2007, and JSM/TDL-08157, dated February 4, 2008, to inform Medicare contractors about this provision and about how to respond to information requests they might receive from Contract Health Service Programs of the IHS operated by IHS, Tribes, Tribal Organizations, and other programs operated by urban Indian organizations on Medicare fee-for-service payment, in order that hospital services may be paid appropriately with Medicare-like rates.

The purpose of this JSM/TDL is to inform Medicare contractors of an IHS clarification of its methodology for coordination of benefits with other payers under Section 506. In order to be more consistent with the Medicare Secondary Payer (MSP) Program, the IHS Fiscal Intermediary (FI) will coordinate payments under 42 CFR 136.30(g) in a manner similar to the MSP Program (42 CFR 411). The IHS total payment amounts to providers for services provided under this provision, including applicable cost sharing, will not exceed the Medicare-like rate in accordance with the regulation, Limitation on Charges for Services Furnished by Medicare-Participating Hospitals to Indians, at 42 CFR Subpart D 136.30.

**NOTE: MEDICARE ADMINISTRATIVE CONTRACTORS (MACs)**

**A/B MAC Contract Numbers**

Jurisdiction 1 ~ HHSM-500-2008-M0002Z  
 Jurisdiction 3 ~ HHSM-500-2006-M0005Z  
 Jurisdiction 4 ~ HHSM-500-2007-M0001Z  
 Jurisdiction 5 ~ HHSM-500-2007-M0002Z  
 Jurisdiction 9 ~ HHSM-500-2008-M0008Z  
 Jurisdiction 12~HHSM-500-2008-M0001Z  
 Jurisdiction 13~HHSM-500-2008-M0004Z

**This Joint Signature Memorandum is being issued to you as technical direction under your MAC contract and has been approved by your Project Officer. This technical direction is not construed as a change or intent to change the scope of work under the contract and is to be acted upon only if sufficient funds are available. In this regard, your attention is directed to the clause of the General Provisions of the contract entitled Limitation of Cost, FAR 52.232-20. If the Contractor considers anything contained herein to be outside of the current scope of the contract, or contrary to any of its terms or conditions, the Contractor shall immediately notify the Contracting Officer in writing as to the specific discrepancies and any proposed corrective action.**

Should you require further technical clarification, you may contact your Project Officer. contractual questions should be directed to your CMS Contracting Officer. Please copy the Project Officer and Contracting Officer on all electronic and/or written correspondence in relation to this technical direction letter.

If you are a FI and have any questions, please contact Rodger Goodacre on (410) 786-3209.

/s/  
 Rodger Goodacre

/s/  
 Karen Jackson

cc: (JSM/TDL-09011 has been approved by the MAC Project Officers)

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