| CMS Manual System | Department of Health & Human Services (DHHS) |
|---|---|
| Pub 100-20 One-Time Notification | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 506 | Date: June 19, 2009 |
| | Change Request 6472 |

**This Transmittal is no longer sensitive. The Transmittal Number and the date of Transmittal remain the same. All other information remains the same.**

**Subject: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Version 005010 Medicare Administrative Contractors Requirements**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to provide direction to specific Part A and Part B (A/B) Medicare Administrative Contractors (MACs) which are, as of this time, in a position to implement 5010, specifically Jurisdictions 1 (J1), J3, J4, J5, J13, and the DME MAC's Common Electronic Data Interchange (CEDI) Contractor with requirements to prepare their systems to process ASC X12 version 005010 (both A/B and DME MACs) and NCPDP version D.0 (only DME) transactions.. Other MACs, not currently in a position to implement 5010, shall provide level of effort estimates only if they will be in a position to become 5010 operational prior to the effective date of this CR. A/B MACs currently in a Corrective Action Plan (CAP) or under a protest condition need not reply to this CR at this time.

**New / Revised Material**
**Effective Date: October 1, 2009**
**Implementation Date: October 5, 2009**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

| R/N/D | Chapter / Section / Subsection / Title |
|---|---|
| N/A | |

**III. FUNDING:**
SECTION A: For Fiscal Intermediaries and Carriers: N/A

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is

not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**Unique Funding Situation:** Funding will be supplied to Medicare Administrative Contractors (MACs), Durable Medical Equipment (DME) MACs, as well as the DME MAC's Common Electronic Data Interchange (CEDI) Contractor through FY09 funding under 5010/D.0 project.

## IV. ATTACHMENTS:

**One-Time Notification**

*Unless otherwise specified, the effective date is the date of service.*

# Attachment – One-Time Notification

| Pub. 100-20 | Transmittal: 506 | Date: June 19, 2009 | Change Request: 6472 |
|---|---|---|---|

**This Transmittal is no longer sensitive. The Transmittal Number and the date of Transmittal remain the same. All other information remains the same.**

SUBJECT:  Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Version 005010 Medicare Administrative Contractors Requirements

**Effective Date**:  October 1, 2009

**Implementation Date:**  October 5, 2009

## I.    GENERAL INFORMATION

**A.    Background:**  The Centers for Medicare and Medicaid Services (CMS) is in the process of implementing the next version of the Health Insurance Portability and Accountability Act transactions. The Secretary of the Department of Health and Human Services (DHHS) has adopted Accredited Standards Committee (ASC) X12 version 5010 and National Council for Prescription Drug Programs (NCPDP) version D.0 as the next HIPAA transaction standards for covered entities to exchange HIPAA transactions. The final rule was published on January 16, 2009. Some of the important dates in the implementation process are:

| | |
|---|---|
| Effective Date of the regulation: | March 17, 2009 |
| Level I compliance by: | December 31, 2010 |
| Level II Compliance by: | December 31, 2011 |
| All covered entities have to be fully compliant on: | January 1, 2012 |

Level I compliance means "that a covered entity can demonstrate that it could create and receive compliant transactions, resulting from the compliance of all design/build activities and internal testing."

Level II compliance means "that a covered entity has completed end-to-end testing with each of its trading partners, and is able to operate in production mode with the new versions of the standards."

DHHS has promulgated in the Final Rules provisions which permit dual use of existing standards (ASC X12 4010A1 and NCPDP  5.1) and the new standards (5010 and D.0) from the March 17, 2009, effective date until the January 1, 2012 compliance date to facilitate testing subject to trading partner agreement.

The purpose of this CR is to provide direction to specific Part A & Part B (A/B) Medicare Administrative Contractors (MACs) which are, as of this time, in a position to implement 5010, specifically Jurisdictions 1 (J1), J3, J4, J5, J13, and the DME MAC's Common Electronic Data Interchange (CEDI) Contractor with requirements to prepare their systems to process ASC X12 version 005010 (both A/B and DME MACs) and NCPDP version D.0 (only DME) transactions.. Other MACs, not currently in a position to implement 5010, shall provide level of effort estimates only if they will be in a position to become 5010 operational prior to the effective date of this CR. A/B MACs currently in Corrective Action Plan (CAP) or under a protest condition need not reply to this CR at this time.

**B.    Policy:**  Health Insurance Reform: Modifications to the Health Insurance Portability and Accountability Act (HIPAA): Final Rules published in the Federal Register on January 16, 2009 by the Department of Health and Human Services 45 CFR Part 162.

## II. BUSINESS REQUIREMENTS TABLE

| Number | Requirement | A/B MAC | DME MAC | FI | CARRIER | RHHI | FISS | MCS | VMS | CWF | OTHER |
|--------|-------------|---------|---------|----|---------|------|------|-----|-----|-----|-------|
| | | | | | | | **Shared-System Maintainers** | | | | |
| 6472.1 | The A/B MACs and the DME MAC's CEDI contractor shall have their initial upgrades in place for their Commercial Off The Shelf (COTS) translators to accept the new HIPAA ASC X12 version 5010 transactions. | X | | | | | | | | | CEDI |
| 6472.1.1 | The A/B MACs and the DME MAC's CEDI contractor shall not need to accept or process an incoming 005010X231 999 Implementation Acknowledgement for Health Care Insurance (999) as a response transaction. | X | | | | | | | | | CEDI |
| 6472.2 | The DME MAC's CEDI contractor shall have their initial upgrades in place for their Commercial Off The Shelf (COTS) translators to accept the new HIPAA NCPCP D.0 transactions. | | | | | | | | | | CEDI |
| 6472.3 | The A/B and DME MACs as well as the CEDI contractor shall have their initial upgrades in place for their workflows and systems environments to support running dual-path processing of both ASC X12 version 4010A1and 5010 transactions. | X | X | | | | | | | | CEDI |
| 6472.4 | The DME MACs and the DME MAC's CEDI contractor shall have their initial upgrades in place for their workflows and systems environments to support running dual-path processing of both NCPDP version 5.1and D.0 transactions. | | X | | | | | | | | CEDI |
| 6472.5 | The MACs shall update their Trading Partner Management profiles to ensure the following authorization situations can be verified:<br>• 4010A1 Test<br>• 4010A1 Production<br>• 5010 Test<br>• 5010 Production | X | | | | | | | | | CEDI |
| 6472.6 | The A/B MACs and the CEDI contractor shall implement their initial release (as future activity may be needed) for their COTS translator software to appropriately produce the following ASC X12 transactions TA1, 005010X231 999 Implementation Acknowledgement for Health Care Insurance (999)  and 005010X214 277 Health Care Claim Acknowledgment (277CA) acknowledgement transactions. | X | | | | | | | | | CEDI |
| 6472.6.1 | The A/B and DME MACs as well as the CEDI contractor shall begin to develop the training program | X | X | | | | | | | | CEDI |

| Number | Requirement | A/B MAC | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | OTHER |
|--------|-------------|---------|---------|----|---------|------|---------------------------|---|---|---|-------|
| | | | | | | | FISS | MCS | VMS | CWF | |
| | for their personnel on the use and data content of the TA1, 999 and 277CA acknowledgement transactions. | | | | | | | | | | |
| 6472.6.2 | A future Change Request (CR) will be issued regarding the details for the TA1, 999, and 277CA acknowledgement transactions | X | X | | | | | | | | CEDI |
| 6472.7 | The A/B and DME MACs as well as the CEDI contractor shall begin to develop Help Desk materials for ASC X12 version 5010 transactions. | X | X | | | | | | | | CEDI |
| 6472.8 | The DME MACs as well as the CEDI contractor shall begin to develop Help Desk materials for NCPDP D.0 transactions. | X | X | | | | | | | | CEDI |

## III.    PROVIDER EDUCATION TABLE

| Number | Requirement | A/B MAC | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | OTHER |
|--------|-------------|---------|---------|----|---------|------|---------------------------|---|---|---|-------|
| | | | | | | | FISS | MCS | VMS | CWF | |
| 6472.9 | A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released.  You will receive notification of the article release via the established "MLN Matters" listserv.<br>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article.  In addition, the provider education article shall be included in your next regularly scheduled bulletin.  Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly. | X | X | | | | | | | | CEDI |

## IV.    SUPPORTING INFORMATION

**Section A:  For any recommendations and supporting information associated with listed requirements, use the box below:**

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---|---|
| 6472.1 | Medicare Administrative Contractors (MACs), Durable Medical Equipment (DME) MACs, as well as the DME MAC's Common Electronic Data Interchange (CEDI) Contractor  will be funded through special 5010/D.0 project funding initiative.  This CR falls within the parameters of said funding. |

**Section B:  For all other recommendations and supporting information, use this space:**

**V. CONTACTS**

**Pre-Implementation Contact(s):**   Jason Jackson          (410) 786-6156          jason.jackson3@cms.hhs.gov
        For Part A Claim:          Matthew Klischer          (410) 786-7488
        matthew.klischer@cms.hhs.gov
        For Part B Claim:          Brian Reitz          (410) 786-5001          brian.reitz@cms.hhs.gov
        For Remittance:          Sumita Sen          (410) 786-5755          sumita.sen@cms.hhs.gov
        For Claim Status:          Amisha Pandya          (410) 786-0690
        amisha.pandya@cms.hhs.gov

**Post-Implementation Contact(s):** Jason Jackson          (410) 786-6156          jason.jackson3@cms.hhs.gov
        For Part A Claim:          Matthew Klischer          (410) 786-7488
        matthew.klischer@cms.hhs.gov
        For Part B Claim:          Brian Reitz          (410) 786-5001          brian.reitz@cms.hhs.gov
        For Remittance:          Sumita Sen          (410) 786-5755          sumita.sen@cms.hhs.gov
        For Claim Status:          Amisha Pandya          (410) 786-0690
        amisha.pandya@cms.hhs.gov

**VI. FUNDING**

**Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers,* use only one of the following statements:**  N/A

**Section B: *For Medicare Administrative Contractors (MACs)*, include the following statement:**
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

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