

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1081</b>	<b>Date: OCTOBER 20, 2006</b>
	<b>Change Request 5225</b>

***NOTE: Transmittal 1077, dated October 13, 2006 is rescinded and replaced by Transmittal 1081, dated October 20, 2006, to correct the implementation date from January 16, 2007 to April 2, 2007. The implementation date has been revised. All other information remains the same.***

**Subject: Electronic Data Interchange (EDI) Media Changes**

**I. SUMMARY OF CHANGES:** Some contractors permitted providers to submit EDI claims via fax-imaging, diskette, tape, or similar storage media. The CMS has determined that use of such media is not cost effective and must be terminated.

**New / Revised Material**

**Effective Date: April 1, 2007**

**Implementation Date: April 2, 2007**

*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.*

<b>R/N/D</b>	<b>Chapter / Section / Subsection / Title</b>
<b>R</b>	24/30/30.2/Media

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**Business Requirements**

**Manual Instruction**

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

# Attachment - Business Requirements

Pub. 100-04	Transmittal: 1081	Date: October 20, 2006	Change Request 5225
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**SUBJECT: Electronic Data Interchange (EDI) Media Changes**

## I. GENERAL INFORMATION

**A. Background:** Some contractors allowed providers to submit EDI claims via fax-imaging, diskette, tape, or other similar storage media.

**B. Policy:** It is no longer cost effective for the Medicare program to accept claims submitted in this manner.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)										
		F	I	R	H	C	D	Shared System Maintainers				Other
								I	S	M	V	
5225.1	Contractors shall reject EDI claims received via fax-imaging, diskette, tape, or other similar storage media after March 31, 2007.	X	X	X	X							DME MACs A/B MACs

**III. PROVIDER EDUCATION**

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5225.2	Contractors shall post this entire instruction, or a direct link to this instruction, on their Web site and include information about it in a listserv message within 1 week of the release of this instruction. In addition, the entire instruction must be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic.	X	X	X	X					DME MACs A/B MACs

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

## V. SCHEDULE, CONTACTS, AND FUNDING

<p><b>Effective Date*:</b> April 1, 2007</p> <p><b>Implementation Date:</b> April 2, 2007</p> <p><b>Pre-Implementation Contact(s):</b> Matt Klischer (matthew.klischer@cms.hhs.gov)</p> <p><b>Post-Implementation Contact(s):</b> Matt Klischer (matthew.klischer@cms.hhs.gov)</p>	<p><b>Medicare contractors shall implement these instructions within their current FY 2007 operating budget.</b></p>
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## 30.2 - Media

*(Rev. 1081, Issued: 10-20-06; Effective: 04-01-07, Implementation: 04-02-07)*

An EDI transaction is defined by its initial manner of receipt. Depending upon the capability of a carrier, DMERC, or FI and the details as negotiated between carrier/DMERC/FI and electronic claim submitters, an electronic claim could be submitted via central processing unit (CPU) to CPU transmission, dial up frame relay, direct wire (T-1 line or similar), or personal computer modem upload or download (also see §30.3).

When counting electronic claims for workload reporting, the contractor includes data on all bills received for initial processing from providers (including all RHCs) directly or indirectly through another FI, etc. It also includes data on demand bills and no-pay bills submitted by providers with no charges and/or covered days/visits. See § 90 of this chapter for information about application of the claims payment floor when a claim is submitted electronically in a non-HIPAA compliant format.

Carriers, DMERCs, and FIs are not permitted to classify the following as electronic claims for CROWD reporting, for payment floor or Administrative Simplification Compliance Act (ASCA, see section 90) mandatory electronic claim submission purposes:

- Bills received from providers if they are incomplete, incorrect, or inconsistent, and consequently returned for clarification. Individual controls are not required for these bills;
- Adjustment bills (FIs only);
- Misdirected bills transferred to another carrier, DMERC, or FI;
- HHA bills where no utilization is chargeable and no payment has been made, but which have been requested only to facilitate record keeping processes (There is no CMS requirement for HHAs to submit no payment non-utilization chargeable bills.);
- Bills paid by an HMO and processed by the contractor; and
- Transactions submitted on diskettes, CDs, DVDs or similar storage media that should only be accepted as part of a disaster recovery process.

Carriers, DMERCs, *DME MACs, A/B MACs*, and FIs are *no longer* permitted to accept claims via fax-imaging, tape/diskette/similar storage media. Carriers, DMERCs, *DME MACs, A/B MACs*, and FIs are to assist billers using such media to transition to more efficient electronic media, such as the free Medicare claim submission or commercially available software that are considered to be more cost effective.