CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 549	<b>Date: August 28, 2009</b>
	Change Request 6595

SUBJECT: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Version 5010 - MAC Jurisdictions 10 and 14 Only

**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, Jurisdiction 10 (J10) and J14 are instructed to prepare their systems to process ASC X12 Version 005010 transactions as previously issued CR 6472, which addressed J1, J3, J4, J5, J13, and CEDI. Other A/B MACs, not currently in a position to implement 5010, currently in Corrective Action Plan (CAP), or under a protest condition need not reply. Specifically, J2, J6, J7, J8, J9, J11, J12, and J15 are not affected by this CR. A future CR will address these MAC jurisdictions.

**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.

# **IV. ATTACHMENTS:**

# **One-Time Notification**

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

# **Attachment – One-Time Notification**

Pub. 100-20 Transmittal: 549 Date: August 28, 2009 Change Request: 6595

SUBJECT: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Version 5010 - MAC Jurisdictions 10 and 14 Only

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 the 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:

Level I compliance by:

December 31, 2010

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 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 Version 5010. Specifically, Jurisdiction 10 (J10) and J14 are instructed to prepare their systems to process ASC X12 Version 005010 transactions as previously issued CR 6472 addressed J1, J3, J4, J5, J13, and the Common Electronic Data Interchange (CEDI) Contractor. Other A/B MACs, not currently in a position to implement 5010, currently in Corrective Action Plan (CAP), or under a protest condition need not reply. Specifically, J2, J6, J7, J8, J9, J11, J12, and J15 are not affected by this CR. A future CR will address these MAC jurisdictions.

Estimates for this CR should include a breakdown as part of the Level of Effort (LOE) response, utilizing the following table to be included in the "Estimate-Specific Comments" portion of the LOE template, to follow the Investment Lifecycle Phases.

Investment Lifecycle Phase	Total Hours	Total Cost
*Pre-Implementation/CR Review*		
Design & Engineering Phase		
Development Phase		
Testing Phase		
Implementation Phase		

\*Please note that the Pre-Implementation/CR Review costs will not be funded under the unique funding situation for the 5010/D.0 project, but instead out of the MAC's pot of hours for Pre-Implementation/CR Review.\*

**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 at 45 CFR Part 162.

# II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Re	spons	sibili	ty						
		A	D	F	C	R		nared-			OTHER
		B	M E	I	A R	H H	F	Mainta M	ainers V	С	
					R	I	I	C	M	W	
		M A	M A		I E		S	S	S	F	
		С	C		R		S				
6595.1	The A/B MACs shall have their initial upgrades in place	X									
	for their Commercial Off The Shelf (COTS) translators to										
	accept the new HIPAA ASC X12 Version 5010										
	transactions.										
6595.1.1	The A/B MACs do not need to accept or process an	X									
	incoming 005010X231 999 Implementation										
	Acknowledgement for Health Care Insurance (999) as a										
	response transaction.										
6595.2	The A/B MACs shall have their initial upgrades in place	X									
	for their workflows and systems environments to support										
	running dual-path processing of both ASC X12 Version										
	4010A1and 5010 transactions.										
6595.3	The A/B MACs shall update their Trading Partner	X									
	Management profiles to ensure the following										
	authorization situations can be verified:										
	• 4010A1 Test;										
	• 4010A1 Production;										
	• 5010 Test, and										
	• 5010 Production.										
6595.4	The A/B MACs shall implement their initial release (as	X									
	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.										
6595.4.1	The A/B shall begin to develop the training program for	X									
	their personnel on the use and data content of the TA1,										
	999 and 277CA acknowledgement transactions.										
6595.4.2	A future Change Request (CR) will be issued regarding	X									
	the details for the TA1, 999, and 277CA										
	acknowledgement transactions.										
6595.5	The A/B MACs shall begin to develop Help Desk	X									
	materials for ASC X12 Version 5010 transactions.										

# III. PROVIDER EDUCATION TABLE

Number	Requirement	Re	spons	sibili	ty						
		A /	D M	F I	C A	R H		nared- Mainta			OTHER
		В	Е		R R	H I	F	M C	V M	C W	
		M	M		I		S	S	S	F	
		A C	A C		E R		S				
6595.6	A provider education article related to this instruction will	X									
	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.										
	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.										

# IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
X-Ref	Recommendations or other supporting information:						
Requirement							
Number							
6595.1	Medicare Administrative Contractors (MACs) will be funded through special 5010/D.0						
	project funding initiative. This CR falls within the parameters of said funding.						

Section B: All other recommendations and supporting information: N/A

#### V. CONTACTS

**Pre-Implementation Contact(s):** Jason Jackson, (410) 786-6156, <u>jason.jackson3@cms.hhs.gov</u> **Post-Implementation Contact(s):** Jason Jackson (410) 786-6156, <u>jason.jackson3@cms.hhs.gov</u>

# VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or 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.