CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 657	Date: March 19, 2010
	Change Request 6847

SUBJECT: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Version 5010 Catch-up Phase Two - MAC Jurisdiction 9 Only

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to provide direction to a specific Part A and Part B (A/B) Medicare Administrative Contractor (MAC) which is, as of this time, in a position to implement Version 5010. Specifically, Jurisdiction 9 (J9) is instructed to continue with the second phases of prepare their systems to process ASC X12 Version 005010 transactions as previously issued CRs 6475, 6476, 6575, 6589, 6597, and 6676 addressed J1, J3, J4, J5, J10, J12, J13, J14, 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, J11, and J15 are not affected by this CR. A future CR will address these MAC jurisdictions.

EFFECTIVE DATE: May 1, 2010
IMPLEMENTATION DATE: May 3, 2010

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:

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

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: 657	Date: March 19, 2010	Change Request: 6847

SUBJECT: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Version 5010 Catch-up Phase Two - MAC Jurisdiction 9 Only

Effective Date: May 1, 2010

Implementation Date: May 3, 2010

I.   GENERAL INFORMATION

A.   Background: The Centers for Medicare & 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:	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 Change Request (CR) is to provide direction to a specific Part A and Part B (A/B) Medicare Administrative Contractor (MAC) which is, as of this time, in a position to implement Version 5010. Specifically, Jurisdiction 9 (J9) is instructed to continue with the second phases to prepare their systems to process ASC X12 Version 005010 transactions as previously issued CRs 6475, 6476, 6575, 6589, 6597, and 6676 addressed J1, J3, J4, J5, J10, J12, J13, J14, 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, J11, and J15 are not affected by this CR. A future CR will address these MAC jurisdictions.

All attachments from previously issued transmittals shall be used as necessary for this catch-up change request:

Transmittal-R518OTN, CR 6475, Issued 07/17/2009;
Transmittal-R516OTN, CR 6476, Issued 07/17/2009;
Transmittal-R579OTN, CR 6575, Issued 10/19/2009;
Transmittal-R550OTN, CR 6589, Issued 09/04/2009;

Transmittal-R537OTN, CR 6597, Issued 08/21/2009; and
Transmittal-R605OTN, CR 6676, Issued 11/27/2009.

The Contractor shall use the edits spreadsheets attached to CR 6676 as replacements for the original edits spreadsheets distributed with CRs 6475, and 6476 to complete their May 2010 deliverables (business requirements). The Contractor is not required to replicate work already done, but is only expected to use the updates to the spreadsheets to build upon their core deliverables from the above listed change requests.

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		

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 DHHS at 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				
6847.1	Contractors shall use the attached spreadsheet and documentation to generate the Medicare defined TA1 and 999 transactions. **NOTE:** See BRs 6475.1 and 6476.1.	X									J9 Only
6847.2	Contractors shall be responsible for creating alpha-quality test data to generate the Medicare defined TA1 and 999 transactions. **NOTE:** See BRs 6475.2 and 6476.2.	X									J9 Only
6847.3	Contractors shall use the attached spreadsheet to determine the appropriate TA1 and 999 reject conditions (with the understanding that CMS CR 6676 contains further guidance on the implementation of the 999 which may or may not affect reject conditions.) **NOTE:** See BRs 6475.3 and 6476.3.	X									J9 Only
6847.3.1	Contractors shall generate the "Accepted" 999 when able to create a syntactically compliant flat file to pass to the CEM. **NOTE**: See BRs 6475.3.1 and 6476.3.1.	X									J9 Only

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
6847.3.2	Contractors shall generate the "Fully Rejected" 999 when unable to create a syntactically compliant flat file to pass to the CEM. An example of this would be a file that is missing a required segment. **NOTE:** See BRs 6475.3.2 and 6476.3.2.	X									J9 Only
6847.3.3	Contractors shall generate the "Accepted with Errors" 999 when able to create a flat file that is syntactically correct, but the file contains at least one 999 error. An example of this would be a file that contains an invalid qualifier, but the qualifier meets syntax requirements. **NOTE:** See BRs 6475.3.3 and 6476.3.3.	X									J9 Only
6847.4	Contractors shall accept a version 005010 837P transaction as input to their Commercial Off The Shelf (COTS) translator and produce as output from the translator a Medicare Part B Claim flat file for each syntactically correct 837P transaction using the attached Medicare Part B Claim flat file format. **NOTE:** See BR 6575.1.	X									J9 Only
6847.5	Contractors shall accept a version 005010 837I transaction as input to their COTS translator and produce as output from the translator a Medicare Part A Claim flat file for each syntactically correct 837I transaction using the attached Medicare Part A Claim flat file format. **NOTE:** See BR 6575.2.	X									J9 Only
6847.6	Contractors shall conduct "alpha" testing of this process using test data produced by the contractor and/or contractor's COTS vendor. **NOTE:** See BR 6575.3.	X									J9 Only
6847.7	Contractors shall produce test output 837 flat files using the appropriate attached 837 flat file format. **NOTE:** See BR 6575.4	X									J9 Only
6847.8	Contractors shall review the attached draft receipt and control record. The receipt and control record layout and processing rules shall be finalized in a subsequent Receipt/Control/and Balancing CR. **NOTE:** See BR 6575.6.	X									J9 Only
6847.9	Contractors shall generate and send 835s from the flat files that balance at the line, claim, and provider level received from the Shared Systems. Note: See attached flat file. **NOTE:** See BR 6589.1.	X									J9 Only
6847.10	Contractors shall monitor the Shared Systems generated OOB reports and research and work towards resolutions of issues that are resulting in OOB situations. **NOTE:** See BR 6589.1.3.	X									J9 Only
6847.11	Contractors shall provide the additional contact	X									J9

Number	Requirement	A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	FISS	MCS	VMS	CWF	OTHER
	information to populate 835 Loop 1000A new segment PER (Payer Technical Contact Information) data to provide Medicare technical contact information. **NOTE:** See BR 6034.2. **NOTE:** See BR 6589.2.										Only
6847.12	Contractors shall provide the URL information to populate the 835 Loop 1000A new PER (Payer Website) segment. **NOTE:** See BR 6034.3. **NOTE:** See BR 6589.3.	X									J9 Only
6847.13	Contractors shall select the appropriate Claim Adjustment Reason Code (CARC) when the adjustment is related to Medicare LOCAL COVERAGE DETERMINATION (LCD) or NATIONAL COVERAGE DETERMINATION (NCD) policy. Note: The appropriate CARC must have the following phrase as part of the code text: "Refer to the 835Healthcare Policy Identification Segment, if sent." **NOTE:** See BR 6589.4.	X									J9 Only
6847.14	Contractors shall assist as necessary the shared system maintainer(s) for FISS and MCS in gathering information related to the design of a solution for CMS based upon the analysis of the environments (both Local Data Center and Enterprise Data Center) for the purposes of collaboration on the solution required to implement the CMS 5010-D.0 Receipt, Control and Balancing Initial Phase for A/B MAC, FISS, and MCS changes. **NOTE:** See BR 6597.3.	X									J9 Only
6847.15	Contractors shall develop the requirements needed to create 005010 based Control Records and perform balancing procedures conforming to the following requirements in conjunction with the shared system maintainers. **NOTE:** See BR 6597.4.	X									J9 Only
6847.16	Contractors shall create a report for the purposes of documenting the findings of the analysis related to this Change Request for Local Data Center impacts. **NOTE:** See BR 6597.10.	X									J9 Only
6847.17	Using the attached edits spreadsheets, contractors shall be responsible for creating test data to generate the Medicare defined TA1 at the interchange level and 999 transaction at the functional group and transaction levels. **NOTE:** See BR 6676.1.	X									J9 Only

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
							Shared-System Maintainers				
6847.18	Contractors shall use the attached edits spreadsheet to implement the appropriate TA1 at the interchange level. **NOTE:** See BR 6676.2.	X									J9 Only
6847.19	Using the attached edits spreadsheets, contractors shall generate the "Accepted" 999 at the both the functional group and transaction levels back to the submitter when the front end translator is able to create a syntactically compliant flat file. **NOTE:** See BR 6676.3.	X									J9 Only
6847.19.1	Contractors shall pass the syntactically compliant flat file to the CEM. **NOTE:** See BR 6676.3.1.	X									J9 Only
6847.20	Using the attached edits spreadsheets, contractors shall generate the "Fully Rejected" 999 at the functional group and transaction levels based on the attached edits spreadsheets. **NOTE:** See BR 6676.4	X									J9 Only
6847.21	Using the attached edits spreadsheets, contractors shall generate the "Accepted with Errors" 999 at the functional group and transaction levels based on the attached edits spreadsheets. **NOTE:** See BR 6676.5.	X									J9 Only
6847.21.1	Using the attached edits spreadsheets, contractors shall insert 277CA STC error records into the respective 837 flat file that will be passed onto the CEM where the CEM will be able to add additional error STC records to be returned to the provider. **NOTE:** See BR 6676.5.1.	X									J9 Only
6847.21.2	Contractors shall pass the resulting 837 flat file from 6676.5.1 to the CEM. **NOTE:** See BR 6676.5.2.	X									J9 Only
6847.22	Contractors shall use the attached edits spreadsheets for the implementation of their edits software. **NOTE:** See BR 6676.6.1.	X									J9 Only

III.   PROVIDER EDUCATION TABLE

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
							Shared-System Maintainers				
	None										

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:
6847.1	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: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s):   Jason Jackson   (410) 786-6156   jason.jackson3@cms.hhs.gov

Post-Implementation Contact(s):   Jason Jackson   (410) 786-6156   jason.jackson3@cms.hhs.gov

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.