

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 874	Date: April 20, 2011
	Change Request 7041

Note to Contractors: Transmittal 806, dated November 10, 2010, is being rescinded and replaced by Transmittal 874, dated April 20, 2011, to revise the effective and implementation dates for the VMS only. All other information remains the same.

SUBJECT: Implementation of the PWK (paperwork) segment for X12N Version 5010

I. SUMMARY OF CHANGES: With an implementation of the PWK, providers will be able to continue to submit electronic claims, which require additional documentation. The development of a dedicated PWK process, involving OCR/imaging technology, allows providers to continue utilizing cost effective electronic data interchange (EDI) technology as well as provides cost savings for the Medicare program. Medicare contractors would be responsible for imaging, storage, and retrieval of the additional documentation for their claims examiners. Having the documentation available to claims examiners eliminates the need for costly automated development.

**EFFECTIVE DATE: January 1, 2011 - Analysis and Design for CWF;
April 1, 2011 - Analysis and Design for VMS;
July 1, 2011 - Full Implementation for MCS, FISS, CWF, and MACs and Legacy Contractors;
October 1, 2011 - Full Implementation for VMS**

**IMPLEMENTATION DATE: January 3, 2011 - Analysis and Design for CWF;
April 4, 2011 - Analysis and Design for VMS;
July 5, 2011 - Full Implementation for MCS, FISS, CWF, and MACs and Legacy Contractors;
October 3, 2011 - Full Implementation for VMS**

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/revise 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:
Funding for implementation activities will be provided to contractors through the regular budget process.

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: 874	Date: April 20, 2011	Change Request: 7041
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I. GENERAL INFORMATION

A. Background: Since 2003, CMS has believed that a complete HIPAA implementation involves implementing the PWK segment. Without a final rule for attachments issued, the decision was made to delay a full implementation of the PWK. With the approaching implementation of HIPAA version 5010 along with an impending final rule for attachments, CMS is now moving forward with an implementation of the PWK for the 837 5010 transactions. CMS expects that the PWK implementation will occur in two phases. This Change Request implements the first phase which is the technical/system implementation. A subsequent Change Request will be written to modify the Internet Only Manual with the PWK business processes.

With an implementation of the PWK, providers will be able to continue to submit electronic claims, which require additional documentation. The development of a dedicated PWK process, involving OCR/imaging technology, allows providers to continue utilizing cost effective electronic data interchange (EDI) technology as well as provides cost savings for the Medicare program. Medicare contractors would be responsible for imaging, storage, and retrieval of the additional documentation for their claims examiners. Having the documentation available to claims examiners eliminates the need for costly automated development.

NOTE: The phrase “normal business procedures” is used in this Change Request and is intended to mean the business procedures which a contractor would have initiated had the PWK segment not been present on the claim.

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. The shared system maintainers are not required to estimate per 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: The Administrative Simplification provisions of HIPAA require the Secretary of HHS to adopt standard electronic transactions and code sets for administrative health care transactions. The Secretary may also modify these standards periodically.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B M A C	D M M A C	F I M A C	C A R I E R	R H I S S	Shared-System Maintainers				OTH ER	
							F I S S	M C S	V M S	C W F		
7041.1	Contractors shall develop internal PWK procedures to support the submission of electronic claims by accepting faxed or mailed additional information, indicated in the X12 837 PWK segment and shall consider that additional information for adjudication.	X	X	X	X	X						RRB
7041.1.1	Contractors shall utilize their Optical Character Recognition/Intelligent Character Recognition (OCR/ICR) imaging systems as the storage, maintenance, and retrieval solution for PWK data.	X	X	X	X	X						RRB
7041.2	Contractors shall implement the appropriate PWK fax/mail cover sheet (attached) for their line of business which must be used by trading partners when mailing or faxing additional documentation which is indicated in the PWK segment.	X	X	X	X	X						RRB
7041.2.1	Contractors are free to make modifications as needed to the content of the fax/mail cover sheet in order to address unique business requirements. It is CMS’ expectation that any changes made will be minimal and will not alter the overall look and functionality of the attached cover sheet.	X	X	X	X	X						RRB
7041.2.2	Contractors shall provide the fax/mail cover sheet to their trading partners via hardcopy and/or electronic download.	X	X	X	X	X						RRB
7041.2.2.1	Contractors shall educate trading partners that fax/mail cover sheets are not to be modified.	X	X	X	X	X						
7041.2.3	Contractors shall return PWK data submissions (fax/mail cover sheet + attached data) when the fax/mail cover sheet is incomplete or incorrectly filled out.	X	X	X	X	X						RRB
7041.2.3.1	Contractors shall develop internal procedures for	X	X	X	X	X						RRB

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I M A C	C A R I E R	R H I S S	Shared-System Maintainers				O T H E R
							F I S S	M C S	V M S	C W F	
	requiring development.										
7041.8.1	Contractors shall disregard the PWK02 value AA and allow the claim to follow normal business procedures.	X		X	X	X	X		X		RRB
7041.9	Shared systems must include the PWK indicator on a data facsimile.						X				
7041.10	Shared system maintainers shall suppress the crossover of PWK data to the Coordination of Benefits contractor.						X	X	X		
7041.11	Contractors shall educate providers, via companion document, that the attachment data must be sent after the claim has been sent.	X		X	X	X					RRB CEDI
7041.12	Contractors will only use the values BM, and FX in PWK02 and will communicate that via companion document. Other values may be accepted based on agreement with willing trading partners.	X		X	X	X					RRB
7041.13	Contractors shall only consider the additional PWK data for adjudication if the claim suspends for an existing edit or audit.	X	X	X	X	X	X	X	X		RRB
7041.13.1	Contractors shall not suspend a claim simply for the presence of the PWK segment.	X	X	X	X	X					RRB
7041.13.2	Shared systems shall not suspend a claim simply for the presence of the PWK segment.						X	X	X		
7041.14	Contractors shall allow seven calendar "waiting" days (from the date of receipt) for additional information to be faxed or ten calendar "waiting" days to be mailed.	X	X	X	X	X					RRB
7041.14.1	Shared systems shall develop procedures to allow the "waiting days" to be backed out for Claims Processing Timeliness purposes whether the PWK data is received or not.						X	X	X		
7041.14.2	Contractors serving island territories shall have the flexibility to adjust "waiting days" as is necessary. CMS expects that any adjustment from the core seven/ten will be discussed with and approved by your Contracting Officer prior to implementation.	X	X	X	X	X					RRB
7041.14.3	Contractors shall resume normal business procedures for a claim that exceeds the seven/ten day waiting period.	X	X	X	X	X					RRB
7041.15	Contractors shall flag a claim as "dirty" only if the PWK data results in the claim being held pending receipt of the documentation.	X	X	X	X	X					RRB
7041.15.1	Contractors shall not flag a claim as "dirty" simply because the PWK data is present.	X	X	X	X	X					RRB

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTH ER
		M A C	M A C				I S S	M S S	V M S	C W F	
7041.15.2	Shared systems shall make the necessary system modifications to allow contractors to flag PWK claims as "dirty".							X	X	X	
7041.16	Contractor shall capture and store the following two-byte values to indicate the number of iterations of PWK which are present in the claim and/or detail line : P1= one iteration is present P2= two iterations are present P3= three iterations are present P4= four iterations are present P5= five iterations are present P6= six iterations are present P7= seven iterations are present P8= eight iterations are present P9= nine iterations are present P0= ten iterations are present										CWF NCH
7041.16.1	Contractor shall create an edit to reject a PWK two-byte value other than those listed in 7041.16.1. NOTE: Spaces are acceptable.										CWF
7041.16.1.1	Contractors shall accept and address this new CWF edit.	X	X	X	X	X	X	X	X	X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTH ER
		M A C	M A C				I S S	M S S	V M S	C W F	
7041.17	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. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it	X	X	X	X	X					RRB CEDI

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R	R H I	Shared-System Maintainers				OTH ER
		M A C	M A C		I E R		F I S S	M C S	V M S	C W F	
	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: For any recommendations and supporting information associated with listed requirements, use the box below: N/A

X-Ref Requirement Number	Recommendations or other supporting information:

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

V. CONTACTS

Pre-Implementation Contact(s): Brian Reitz, Brian.Reitz@cms.hhs.gov, 410-786-5001 for professional claims and Matthew Klischer Matthew.Klischer@cms.hhs.gov, 410-786-7488 for institutional claims.

Post-Implementation Contact(s): Contact your Contracting Officer’s Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

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

Funding for implementation activities will be provided to contractors through the regular budget process.

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.

Attachments

Insert Company Logo here

Medicare Part A Fax/Mail Cover Sheet

Complete all fields and fax or mail the form to the applicable address/number provided at the bottom of the page. Complete **ONE (1)** Medicare Fax/Mail Cover Sheet for each electronic claim for which documentation is being submitted. This form should not be submitted prior to filing the claim.

ACN: (Exactly as entered in the PWK loop on the claim):		DCN:
Beneficiary: Last Name	First Name	HICN:
Date(s) of Service: From	To	Total Claim Billed Amount:
Billing Provider's Name:		Contact and Phone Number:
NPI:		
State Where Services Were Provided:		Total Number of Documentation Pages (including cover sheet):

Title at discretion of contractor

State Information (State in which services rendered)	State Information (State in which services rendered)	State Information (State in which services rendered)	State Information (State in which services rendered)
Return Address/Fax Information	Return Address/Fax Information	Return Address/Fax Information	Return Address/Fax Information

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Medicare Part B Fax/Mail Cover Sheet

Complete all fields and fax or mail the form to the applicable address/number provided at the bottom of the page. Complete **ONE (1)** Medicare Fax/Mail Cover Sheet for each electronic claim for which documentation is being submitted. This form should not be submitted prior to filing the claim.

ACN: (Exactly as entered in the PWK loop on the claim):		ICN:
Beneficiary: Last Name	First Name	HICN:
Date(s) of Service: From	To	Total Claim Billed Amount:
Billing Provider's Name:		Contact and Phone Number:
NPI:		
State Where Services Were Provided:		Total Number of Documentation Pages (including cover sheet):

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Medicare DMAC Fax/Mail Cover Sheet

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ACN: (Exactly as entered in the PWK loop on the claim):		ICN:
Beneficiary: Last Name	First Name	HICN:
Date(s) of Service: From	To	Total Claim Billed Amount:
Billing Provider's Name:		Contact and Phone Number:
NPI:		
State Where Services Were Provided:		Total Number of Documentation Pages (including cover sheet):

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