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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-20 One-Time Notification | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal: 917 | Date: July 21, 2011 |
| | Change Request 7392 |

Transmittal 880, dated April 22, 2011, is rescinded and replaced by Transmittal 917, dated July 21, 2011 to correct business requirement 7392.3.2 to add to code sets and change one that was missed during the POC review period. All other information remains the same.

SUBJECT: October Common Edits and Enhancements Module (CEM) and Receipt, Control, and Balancing Updates

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to instruct the CEM developers, Part A and B Medicare Administrative Contractors (MAC), and the Durable Medical Equipment (DME) MAC Common Electronic Data Interchange (CEDI) contractor in their continuing development efforts of the CEM and Receipt, Control, and Balancing software and environment requirements. This instruction includes issues identified during the Alpha, Beta and User Acceptance Testing (UAT) test periods.

EFFECTIVE DATE: *October 1, 2011

IMPLEMENTATION DATE: October 3, 2011

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:
Not Applicable.

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

| | | | |
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SUBJECT: October Common Edits and Enhancements Module (CEM) and Receipt, Control, and Balancing Updates

EFFECTIVE DATE: October 1, 2011

IMPLEMENTATION DATE: October 3, 2011

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 (HIPAA). 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 instruct the CEM developers in their continuing development efforts of the CEM and Receipt, Control, and Balancing software and environment requirements. This instruction includes issues identified during the Alpha, Beta and User Acceptance Testing (UAT) test periods.

A/B MAC, DME MAC, and CEDI 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: 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 | Responsibility (place an "X" in each applicable column) | | | | | | | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------|--------|----------------------------|------------------|---------------------------|-------------|-------------|-------------|-----------|
| | | A / B M A C | D M M A C | F I | C A R I E R | R H H I | Shared-System Maintainers | | | | OTH ER |
| | | | | | | | F I S S | M C S | V M S | C W F | |
| 7392.1 | The Shared System Maintainers of the CEM software shall update the CEM Maintenance Console to provide a switch that allows contractors to process future-dated claims through a CEM UAT environment. The switch shall exist for UAT environments only, and not production environments. | | | | | | X | X | | | CEM |
| 7392.2 | The Shared System Maintainers of the CEM software shall update the CEM Maintenance Console to provide a switch that prevents the rejection of duplicate transaction sets (ST-SEs) in a CEM UAT environment. The switch shall exist for UAT environments only, and not production environments. | | | | | | X | X | | | CEM |
| 7392.3 | The Shared System Maintainers of the CEM software shall create tables (to be utilized under future recurring CRs) for the external code sets. | | | | | | X | X | | | CEM |
| 7392.3.1 | The Shared System Maintainer of the CEM software shall create maintainer maintained Spitab tables for the following external codes sets: <ul style="list-style-type: none"> Country Codes Country Subdivision Codes Not Otherwise Classified (NOC) Procedure Codes National Drug Codes (NDC) NUBC Condition Codes State Codes (US, CA, MX) Anesthesia Modifiers | | | | | | | X | | | CEM |
| 7392.3.2 | The Shared System Maintainer of the CEM software shall create maintainer controlled tables for the following external codes sets: <ul style="list-style-type: none"> Country Codes | | | | | | X | | | | CEM |

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): Jason Jackson (410) 786-6156 jason.jackson3@cms.hhs.gov
Michael Cabral (410) 786-6168 michael.cabral@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable and the pre-implementation contacts:
Jason Jackson (410) 786-6156 jason.jackson3@cms.hhs.gov
Michael Cabral (410) 786-6168 michael.cabral@cms.hhs.gov

VI. FUNDING

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

Not Applicable

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.