MLN Matters®
Information for Medicare Fee-for-Service Health Care Professionals

News Flash – The Centers for Medicare & Medicaid Services (CMS) has launched its website for agency-wide information and education on Versions 5010, D.0 and 3.0. As you may already know, Version 5010 is the new version of the X12 standards for HIPAA transactions; version D.0 is the new version of the National Council for Prescription Drug Program (NCPDP) standards for pharmacy and supplier transactions; and version 3.0 is a new NCPDP standard for Medicaid pharmacy subrogation. Visit the new website at *http://www.cms.hhs.gov/Versions5010andD0* to view background information on the new standards, regulatory information, the latest outreach messages from CMS, educational resources, resources specific to D.0 and 3.0, as well as implementation information for the Medicare Fee-For-Service systems. CMS plans to add additional information as it becomes available so bookmark the site today!

MLN Matters® Number: MM6589 Revised

Related Change Request (CR) #: 6589

Related CR Release Date: October 16, 2009

Effective Date: January 1, 2010

Related CR Transmittal #: R577OTN

Implementation Date: January 4, 2010 – July 5, 2010 (Date varies based on different Medicare systems)

Implementation of Health Insurance Portability and Accountability Act of 1996 (HIPAA) version 5010 for Transaction 835 - Health Care Claim Payment/Advice

Note: This article was revised on October 20, 2009, to reflect revisions made to CR 6589 on October 16, 2009. The CR release date, transmittal number, implementation date, and the Web address for accessing CR 6589 were changed. All other information remains the same.

Provider Types Affected

Physicians, providers and suppliers who bill Medicare Contractors (carriers, Fiscal Intermediaries (FIs), Medicare Administrative Contractors (A/B MAC), and Durable Medical Equipment Medicare Administrative Contractors (DME MAC) for services provided to Medicare beneficiaries.

What You Need to Know

CR 6589, from which this article is taken, instructs Medicare Contractors to

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implement Health Insurance Portability and Accountability Act of 1996 (HIPAA) Transaction 835 version 5010.

Make sure that your billing staffs are aware that the new HIPAA transaction 835 version 5010 is being implemented, and Medicare can begin to generate the 835 version 5010 for testing with trading partners and/or for transitioning early adopters of the new standard as of January 1, 2011. Additional information about this implementation is provided in the Background section, below.

Background

The Secretary of the Department of Health and Human Services (HHS) has adopted ASC X12 version 5010 and National Council of Prescription Drug Programs (NCPDP) version D.0 as the next Health Insurance Portability and Accountability Act (HIPAA) standard for HIPAA covered transactions; and the Centers for Medicare & Medicaid Services (CMS) published the final rule that addressed this adoption on January 16, 2009. Currently, CMS is in the process of implementing this next version of the HIPAA Transaction 835 standard (835v5010).

CR 6589, from which this article is taken, instructs the Medicare Contractors to implement transaction 835 v5010 and to update the Standard Paper Remittance Advice (SPR).

CR 6589 provides business requirements for the Medicare Contractors so they can be ready to generate transaction 835 in version 5010 for testing with trading partners and in production for early adopters effective January 1, 2011.

Compliance Details

Please note that there are two levels of compliance:

1. Level I Compliance, which means that: "A covered entity can demonstrably create and receive compliant transactions, resulting from the compliance of all design/build activities and internal testing;"
2. Level II Compliance, which 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."

You should also be aware that the effective date of the 835v5010 regulation is March 17, 2009; and that CMS must achieve level I compliance by December 31, 2010, Level II compliance by December 31, 2011, and all covered entities must be fully compliant on January 1, 2012. In essence, this means that on January 1, 2011, Medicare will make 835 version 5010 available for external testing with trading partners and also in production for willing trading partners who have finished testing successfully. In addition, in order to facilitate testing (subject to trading partner agreement); there will be a transition period (from the March 17,

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2009 effective date until the January 1, 2012 compliance date) in which HHS will permit the use of both the existing standards (4010A1 and 5.1) and the new standards (5010 and D.0).

After January 1, 2012 however, covered entities, including Medicare, cannot use the 835v4010A1 and the current Standard Paper Remittance (SPR), regardless of the date of receipt or date of service reported on the electronic or paper claim.

Additional Information

You can find the official instruction, CR6589, issued to your Medicare Contractor by visiting *http://www.cms.hhs.gov/Transmittals/downloads/R577OTN.pdf* on the CMS website.

If you have any questions, please contact Medicare Contractor at their toll-free number, which may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.

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