CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 870	Date: March 18, 2011
	Change Request 7240

NOTE to Contractors: : Transmittal 847, dated January 28, 2011, is being rescinded and replaced by Transmittal 870, dated March 18, 2011 to delete business requirements 7240.9, 7240.10, and 7240.11. All other material remains the same.

# SUBJECT: Health Insurance Portability and Accountability Act (HIPAA) 5010 and D.0 Medicare Administrative Contractor (MAC) Trading Partner Testing Direction for Calendar Year 2011

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to provide the 5010 A/B MAC with the requirements for conducting testing of certain HIPAA transactions, including the errata changes, with their electronic data interchange (EDI) trading partners. This testing direction is to specific Part A and Part B (A/B) MACs which are, as of this time, in a position to implement 5010, specifically the following Jurisdictions: J1, J3, J4, J5, J9, J10, J12, J13, and J14, as well as the Common Electronic Data Interchange (CEDI) contractor. Other MACs, not currently in a position to implement 5010, must provide level of effort estimates only if they will be in a position to become 5010 operational prior to the effective date of this CR. A/B MACs currently in Corrective Action Plan or under a protest condition need not reply to this CR at this time. A future CR will address these MAC jurisdictions.

## EFFECTIVE DATE: March 1, 2011 IMPLEMENTATION DATE: March 1, 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/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):** 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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FUD. 100-20	Transmittal: 870	Date: march 18, 2011	Change Request: 7240
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NOTE to Contractors: : Transmittal 847, dated January 28, 2011, is being rescinded and replaced by Transmittal 870, dated March 18, 2011 to delete business requirements 7240.9, 7240.10, and 7240.11. All other material remains the same.

SUBJECT: Health Insurance Portability and Accountability Act (HIPAA) 5010 and D.0 Medicare Administrative Contractor (MAC) Trading Partner Testing Direction for Calendar Year 2011

Effective Date: March 1, 2011 Implementation Date: March 1, 2011

### I. GENERAL INFORMATION

**A. Background:** The purpose of this Change Request (CR) is to provide contractors with the requirements for conducting testing of certain HIPAA transactions, including the errata changes, with their electronic data interchange (EDI) trading partners. This testing direction is to specific Part A and Part B (A/B) MACs which are, as of this time, in a position to implement 5010, specifically the following Jurisdictions: J1, J3, J4, J5, J9, J10, J12, J13, and J14, as well as the Common Electronic Data Interchange (CEDI) contractor. Other MACs, not currently in a position to implement 5010, must provide level of effort estimates only if they will be in a position to become 5010 operational prior to the effective date of this CR. A/B MACs currently in Corrective Action Plan or under a protest condition need not reply to this CR at this time. A future CR will address these MAC jurisdictions. This CR also provides direction to DME MACs implementing the National Committee for Prescription Drug Programs (NCPDP) D.0 transactions.

MAC 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 allocation of hours for Pre-Implementation/CR Review.

Non-D.0 Contractors are to support the testing of the baseline (pre-errata) through April 4, 2011. Beginning April 5, non-D.0 Contractors are to support testing of the errata version and not the pre-errata version. If a trading partner wants to test pre-errata prior to April 5, 2011, it may, but it will need to retest with the errata (to an extent determined by the contractor) after April 5, 2011.

The CMS expects to implement version 5010 transactions over multiple releases. The intent is for CMS to be ready to exchange version 5010 transactions after December 31, 2010. During the transition period (January 1, 2011 – December 31, 2011), CMS expects to exchange HIPAA production transactions in both 4010A1/5.1 and 5010/D.0 versions, and test transactions in 5010/D.0 versions.

**B. Policy:** The Administrative Simplification provisions of HIPAA require the Secretary of DHHS 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	<b>Responsibility (place an "X"</b> applicable column)					<b>" i</b> 1	' in each			
		A / B		F	C A R	R H H	M	Sha Syst aint	tem aine		OTH ER
		M A C	M A C		R I E R	Ι	F I S S	M C S	V M S	C W F	
7240.1	Contractors shall provide an LOE estimate for new software costs, if any, associated with the Trading Partner Testing activities during the transition period. This shall include a breakdown of each requested software package by title, along with its associated cost. CMS shall review the estimate and may or may not fund the entire estimate request, depending on funding levels.	X									CEDI
7240.2	Contractors shall ensure their EDI trading partners pass level 1 and level 2 testing on the 5010/D.0 transactions and applicable Errata versions prior to moving their EDI trading partners into production.	X									CEDI
7240.2.1	Level 1 – Transmission/Transaction Integrity (translator based) Contractor's shall ensure their translator tests for high- level accuracy of the transmission and transactions and validate the syntax compliance at the standard level.	X									CEDI
7240.2.2	Level 2 – Data Integrity (Common Edits and Enhancements Module based) This testing is related to technical report type 3 (TR3) requirements. Contractor's shall ensure their translator tests for the edits relating to required data elements, edits relating to relational data (for example, numeric data in numeric-defined elements), and edits relating to valid code values, such as qualifiers specific to a particular TR3.	X									CEDI
7240.3	Contractors shall ensure that no 5010 EDI trading partners will be migrated to production before April 5, 2011 and those moved to production have successfully passed errata testing.	X									
7240.4	Contractors will have the discretion to grant approved no-test status or blanket approval to those who have demonstrated success in testing with other clients or who have obtained external certification.	X									CEDI
7240.5	If contractors have successfully tested their free Medicare billing software (to include the errata changes)	X									CEDI

Number	Requirement	Responsibility (place an "X" in o applicable column)						n each			
		-	1 <b>~</b>	1			i í	~ -			
		A	D	F	С	R		Sha			OTH
		/	Μ	Ι	А	Η		Sys			ER
		B	E		R	Η	M	aint	aine	ers	
					R	Ι	F	Μ	V	C	
		M	M		Ι		Ι	C	Μ	W	
		A	Α		E		S	S	S	F	
		C	C		R		S				
	with a representative sample of EDI trading partners, it is										
	the contractor's discretion as to whether the contractor										
	tests with each EDI trading partners using the software.										
7240.6	In order that all tests are completed by December 31,	Х									CEDI
	2011, contractors shall encourage their EDI trading										
	partners to begin testing as early as possible.										
7240.6.1	Prior to March 31, 2011, contractors shall encourage all	Х									CEDI
	their EDI trading partners to begin testing 5010/D.0										
	transactions, including the errata changes.										
7240.7	In order that Medicare providers, billing services, and	Х									CEDI
	clearinghouses are able to complete testing by December										
	31, 2011, contractors shall conduct a reasonable number										
	of EDI submitter tests each month throughout the										
	transition period.										
7240.7.1	Contractors shall determine what a reasonable number of	Х									CEDI
	tests are appropriate for the contractor's testing situation.										
7240.8	Contractors shall be responsible for ensuring that any	Х									CEDI
	EDI submitter that requests testing by October 1, 2011,										
	has sufficient test opportunities to transition by										
	December 31, 2011.										
7240.9	This business requirement is deleted.										
7240.10	This business requirement is deleted.										
7240.11	This business requirement is deleted.										
7240.12	Contractors shall support CEDI to facilitate and execute		Х								
	trading partner testing.										
7240.13	Contractors shall ensure that no NCPDP D.0 EDI trading										CEDI
	partners will be migrated to production before January 3,										
	2011.										

# III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		Α	D	F	C	R		Sha	red-		OTH
		/	Μ	Ι	А	Η		Syst	tem		ER
		В	Е	E R H Maintainer		ers					
					R	Ι	F	Μ	V	С	
		Μ	Μ		Ι		Ι	C	Μ	W	
		А	А		Е		S	S	S	F	
		С	С		R		S				
	None.										

# IV. SUPPORTING INFORMATION

# Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

X-Ref	Recommendations or other supporting information:
Requireme	
nt	
Number	
	None.

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

# **V. CONTACTS**

Pre-Implementation Contact(s): Matt Klischer, matthew.klischer@cms.hhs.gov, 410.786.7488

**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):

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.