

U.S. House and Senate Notification
Tuesday, August 24, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Issues Reminder about January 2011 Target for Testing
Transaction Standards

Today, the Centers for Medicare & Medicaid Services (CMS) issued a reminder to health care providers, health plans, clearinghouses, and vendors about the approaching compliance dates for transition to Accredited Standards Committee X12 Technical Reports Type 3, Version 005010 (Version 5010) electronic health care transaction standards, revised medical data code sets (ICD-10-CM and ICD-10-PCS), and use of the National Council for Prescription Drug Programs (NCPDP) Version D.0 standard for retail pharmacy transactions and NCPDP Version 3.0, the standard for the Medicaid pharmacy subrogation transactions.

The first compliance milestone for transition to the Version 5010 electronic health care transaction standards is fast approaching. Beginning in January 2011, entities covered under the Health Insurance Portability and Accountability Act (HIPAA) should be ready to test with their trading partners the functionality of the entities' practice management and/or other related software featuring Version 5010 standards.

Use of the Version 5010 standards for HIPAA electronic health care transactions, including claims, remittance advice, eligibility inquiries, referral authorization, and other administrative transactions, will be mandatory on January 1, 2012. The Version 5010 standards also provide the framework needed for use of the revised medical data code sets (ICD-10-CM and ICD-10-PCS), that must be implemented on October 1, 2013. In addition to the approaching transition to Version 5010, use of the NCPDP Version D.0 standard for retail pharmacy transactions, and NCPDP Version 3.0, the standard for the Medicaid pharmacy subrogation transaction, also must be implemented on January 1, 2012. Small health plans, however, have an additional year and must be compliant with Version 3.0 on January 1, 2013.

To help health care providers, health plans, clearinghouses, and vendors work toward the compliance dates for Version 5010 and ICD-10 — and avoid delays in claims processing and payment — CMS has been conducting ongoing industry outreach and education, and has revised its ICD-10 Web site at <http://www.cms.gov/ICD10>.

For more information, final regulations adopting Version 5010, NCPDP Version D.0 and Version 3.0, and ICD-10 were published on January 16, 2009, and may be viewed under "Health and Human Services Department" in the table of contents for that date's Federal Register, found here: http://www.access.gpo.gov/su_docs/fedreg/a090116c.html

A January 2009 fact sheet describing both rules may be viewed at <http://www.cms.gov/apps/media/press/factsheet.asp?Counter=3407&intNumPerPage=1000&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=6&intPage=&showAll=&pYear=&year=&desc=false&cboOrder=date>

The CMS Press Release for the reminder issued today is attached for your convenience.

If you have any questions, please contact the CMS Office of Legislation. Thank you.