



Implementation of Health Insurance Portability and Accountability Act of 1996 (HIPAA) Version 5010 for Transaction 835 - Health Care Claim Payment/Advice – JA6589

Note: MLN Matters® article MM6589 was revised on October 20, 2009, to reflect revisions made to Change Request (CR) 6589 on October 16, 2009. The CR release date, transmittal number, implementation date, and the Web address for accessing CR6589 were changed. All other information remains the same.

Related CR Release Date: October 16, 2009 **Revised**

Date Job Aid Revised: October 23, 2009

Effective Date: January 1, 2010

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

Key Words	MM6589, CR6589, R5770TN, HIPAA, 5010, Transaction, Payment, Advice
Contractors Affected	<ul style="list-style-type: none"> • Medicare Carriers • Fiscal Intermediaries (FIs) • Part A/B Medicare Administrative Contractors (A/B MACs) • Durable Medical Equipment MACs (DME MACs)
Provider Types Affected	Physicians, providers, and suppliers who bill Medicare Carriers, FIs, A/B MACs, and DME MACs for services provided to Medicare beneficiaries



CR6589 instructs Medicare contractors to implement HIPAA Transaction 835 Version 5010. Medicare will 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.

Provider Needs to Know...	<ul style="list-style-type: none"> • CR6589 instructs Medicare contractors to implement Transaction 835 Version 5010 and to update the Standard Paper Remittance Advice (SPR). • CR6589 provides business requirements for 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. <p>Compliance Details</p> <ul style="list-style-type: none"> • Providers should note that there are two levels of compliance: <ul style="list-style-type: none"> • Level I Compliance means, "A covered entity can demonstrably create and receive
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compliant transactions, resulting from the compliance of all design/build activities and internal testing”;

- **Level II Compliance** means, “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.”

Important Dates

- Providers should be aware of the following:
 - The effective date of the 835 Version 5010 regulation is March 17, 2009;
 - The Centers for Medicare & Medicaid Services (CMS) must achieve level I compliance by December 31, 2010, and Level II compliance by December 31, 2011; and
 - All covered entities must be fully compliant on January 1, 2012.
- 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 order to facilitate testing (subject to trading partner agreement), there will be a transition period (from the March 17, 2009, effective date until the January 1, 2012, compliance date) in which the Department of Health and Human Services (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, covered entities, including Medicare, will not be able to use the 835 Version 4010A1 or the current SPR, regardless of the date of receipt or date of service reported on the electronic or paper claim.**

Background

- The Secretary of HHS has adopted Accredited Standards Committee, X12 Version 5010 and National Council of Prescription Drug Programs Version D.0 as the next HIPAA standards for HIPAA covered transactions.
- 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 (835 Version 5010).

Operational Impact

N/A

Reference Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6589.pdf> on the CMS website.
 The official instruction (CR6589) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R577OTN.pdf> on the CMS website.