



**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.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/Versions5010andD0/index.html> 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: MM6599

Related Change Request (CR) #: 6599

Related CR Release Date: August 28, 2009

Effective Date: January 1, 2010

Related CR Transmittal #: R5440TN

Implementation Date: January 4, 2010

**Note:** This article was updated on January 3, 2013, to reflect current Web addresses. All other information remains unchanged.

## Medicare Administrative Contractor (MAC) Transition and Outbound Health Insurance Portability and Accountability Act (HIPAA) Transactions

### Provider Types Affected

All physicians, providers and suppliers operating in multiple states under a single National Provider Identifier (NPI) and receiving HIPAA outbound transactions from Parts A and B (A/B) Medicare Administrative Contractors (MACs) are affected.

### Provider Action Needed

This article, based on CR 6599, informs all physicians, and providers who operate in multiple states under a single NPI that, beginning with the effective date of January 1, 2010, they will receive HIPAA outbound transactions separated by the appropriate contractor identifier (ID) number assigned to a MAC in files generated

#### Disclaimer

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by Medicare's Multi-Carrier Claims System (MCS) that process Part B claims. Ensure that your billing staffs are aware of this change.

## Background

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Through implementation of Medicare Contracting Reform, the Centers for Medicare & Medicaid Services (CMS) is integrating the administration of Medicare Parts A and B for the fee-for-service benefit to new entities called Medicare Administrative Contractors (MACs). CMS designed the new MAC jurisdictions to balance the allocation of workloads, promote competition, account for integration of claims processing activities, and mitigate the risk to the Medicare program during the transition to the new contractors. The result is jurisdictions that reasonably balance the number of fee-for-service beneficiaries and providers across states.

Recently, CMS learned that, when there is a provider with a single NPI who provides services across states, Medicare-generated outbound transactions (835 - Health Care Claim Payment/Advice and 277 - Health Care Claim Status Notification) do not report the appropriate contractor ID in the envelope. The outbound transaction reported the first contractor ID for the MAC in the envelope when the transaction included multiple claims and status responses from a provider covering multiple states. This created an issue for clearinghouses trying to forward the correct 835/277 to the appropriate provider location. Beginning January 1, 2010, Medicare will generate separate professional outbound files by the appropriate contractor ID number assigned to a MAC.

## Additional Information

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If you have questions, please contact your MAC at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

The official instruction, CR 6599, issued to your Medicare A/B or DME MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R5440TN.pdf> on the CMS website.

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