DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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- "Quick Reference Information: Medicare Immunization Billing" Educational Tool, ICN 006799, Downloadable only.

MLN Matters® Number: MM8629 Revised | **Related Change Request (CR) #: CR 8629**

Related CR Release Date: April 9, 2014 | **Effective Date: July 1, 2014**

Related CR Transmittal #: R1367OTN | **Implementation Date: July 7, 2014**

Implementation of National Automated Clearinghouse Association (NACHA) Operating Rules for Health Care Electronic Funds Transfers (EFT)

Note: This article was revised on April 10, 2014, to reflect changes made to CR8629 on April 9. In the article, the transmittal number, CR release date, and the Web address for the CR are revised. All other information is unchanged.

Provider Types Affected

This MLN Matters® Article is intended for physicians, providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs), including Home Health & Hospice MACs (HH&H MACs) and Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for services to Medicare beneficiaries.

What You Need to Know

This article is based on CR8629 which informs MACs that they must comply with National Automated Clearinghouse Association (NACHA) Operating Rules that are applicable to initiators of health care payments. CR8629 requires MACs to modify or change data elements currently inputted into payment information that is transmitted through the

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Automated Clearinghouse (ACH) Electronic Funds Transfer (EFT) Network with electronic health care payments.

Physicians, other providers, and suppliers should be aware that, consequently, the payment information that a provider receives or that is transmitted from a provider's financial institution regarding the health care EFT payment may change as per these requirements. Specifically, the Company Entry Description that is reported or transmitted to a provider from its financial institution may change in terms of content or length.

Providers are urged to contact their financial institutions directly in order to understand the form in which payment information will be transmitted or reported on a per payment basis as a result of CR8629. We suggest that providers should subsequently take steps to assure that the payment information that is changed as a result of CR8629 can be accommodated by your accounting processes and systems.

Background

In support of Health Insurance Portability & Accountability Act of 1996 (HIPAA) Operating Rules for health care EFT and remittance advice transactions adopted by HHS, NACHA – The Electronic Payments Association has adopted its own operating rules that apply to ACH transactions that are health care payments from health plans to providers. NACHA manages the development, administration, and governance of the ACH Network used by all types of financial networks and represents more than 10,000 financial institutions.

The new NACHA standard that applies to health care payments took effect on September 20, 2013. Some of the NACHA Operating Rules that apply to health care payments apply to "Originators" of those payments, which include the health plans, payers, or their business associates.

A specific NACHA Operating Rule that applies to Originators – and is distinct from related HIPAA requirements – is the requirement to clearly identify CCD (Cash Concentration or Disbursement) Entries that are Healthcare EFT Transactions using a specific identifier.

The Healthcare EFT Standard requires that the Company Entry Description field contains "HCCLAIMPMT" to identify the payment as healthcare.

Additional Information

For information on the NACHA Operating Rules that apply to health care payments, particularly with regard to requirements for originators, see **https://healthcare.nacha.org/healthcarerules** on the Internet.

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The official instruction, CR8629 issued to your MAC regarding this change may be viewed at **http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1367OTN.pdf** on the CMS website.

You may also want to view article MM8619 at **http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM8619.pdf** on the CMS website.

If you have any 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.

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