

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9358

Related Change Request (CR) #: CR 9358

Related CR Release Date: September 16, 2016

Effective Date: April 1, 2017

Related CR Transmittal #: R1716OTN

Implementation Date: April 3, 2017

Affordable Care Act - Operating Rules - Requirements for Phase II and Phase III Compliance for Batch Processing

Provider Types Affected

This MLN Matters® Article is intended for physicians and providers submitting claims to Medicare Administrative Contractors (MACs), including Home Health and Hospice MACs, for services provided to Medicare beneficiaries.

What You Need to Know

Change Request (CR) 9358 requires MACs to meet the connectivity and security requirements for the Phases II and III Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules for Information Exchange (CORE) Operating Rules as well as the batch processing requirements for the Phase II CAQH CORE Operating Rules.

Background

The Centers for Medicare and Medicaid Services (CMS) is in the process of implementing Operating Rules adopted under Section 1104 of the Affordable Care Act. The Secretary of the Department of Health and Human Services (HHS) named the Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules (CORE) as the authoring entity of the Phase I, II, and III Operating Rule. The Operating Rules are intended to provide additional direction and clarification to the Electronic Data Interchange (EDI) standard adopted under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. CMS is currently in the process of implementing the batch requirements for the Phase II rules for the Claim Status Inquiry and Response as well as the Phase III rules for the Electronic Remittance Advice (ERA) and Electronic Funds Transfer (EFT).

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HIPAA transactions are referred to in the following manner:

- 276: ASC X12 Health Care Claim Status Request
- 277: ASC X12 Health Care Information Status Notification
- 835: ASC X12 Health Care Claim Payment/ Advice
- 999: ASC X12 Implementation Acknowledgment For Health Care Insurance

CR9358 requires the MACs to implement a solution to comply with CAQH CORE Phase II Connectivity Rule 270, including the use of X.509 Client Certificates over SSL. This solution must be able to receive and post the batch 276/277 transactions for using the public internet for the Hypertext Transfer Protocol within a connection encrypted by Transport Layer Security (HTTP/S) transport. The MACs shall accept 276 transactions up until 9pm Eastern time of a business day, which equates to receipt of the 276 within the EDI front-end system for any 276 transactions submitted via either the MAC's Electronic Data Interchange (EDI) gateway or the public Internet. The MAC must then return the 277 transaction by 7:00 am Eastern time the next business day. The MACs must also track the times of any received inbound messages with the capability to generate a report (audit log) that tracks the 999 response to the inbound 276 as well as date and timestamp for the 277, including the date and time the message was sent in HTTP+MIME or SOAP+WSDL Message Header tags. The MACs must support both Message Envelope Standards and Message Exchanges (HTTP+MIME) and Simple Object Access Protocol and Web Service Definition Language (SOAP+WSDL) Message. The solution must be able to report HTTP server errors with an HTTP 500 Internal Service Error or a HTTP 503 Service Unavailable error message for 276/277/835/999 transactions. The MACs must support Submitter Authentication Standards as detailed in Operating rule 153 for the 276/277/835/999 transactions.

The MACs will also develop and implement a solution using HTTP/S Version 1.1 over the public Internet as a transport method for the 835 in accordance with the Phase III Infrastructure Rule 350, which requires entities to support the Phase II CORE 270 Connectivity Rule Version 2.2.0. If a trading partner decides to transition to exchanging files over the public Internet, and the MAC's environment does not permit for dual submission/retrieval using CORE and non-CORE connectivity, there will not be a transition period, just a scheduled flash cut. If the MAC's environment has the ability to support the use of either gateway or public Internet, the MACs shall have discretion to make the business decision on transition and ability to switch between connectivity options.

MACs will make updates to their enrollment procedures, forms and trading partner management system for connectivity over the public Internet. **Enrollment in the Internet needs to be at the trading partner level.**

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Additional Information

The official instruction, CR9358, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1716OTN.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html>.

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