



## CMS Medicare FFS Provider e-News

CMS Information for the Medicare Fee-For-Service Provider Community

***CMS asks that you share the following important information with all of your association members and state and local chapters. Thank you!***

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### **CMS' Office of E-Health Standards and Services Announces 90-Day Period of Enforcement Discretion for Compliance with New HIPAA Transaction Standards**

On Thu Nov 17, the CMS Office of E-Health Standards and Services (OESS) announced that it would not initiate enforcement action until Sat Mar 31, 2012, with respect to any *HIPAA* covered entity that is not in compliance with the ASC X12 Version 5010 (Version 5010), NCPDP Telecom D.0 (NCPDP D.0), and NCPDP Medicaid Subrogation 3.0 (NCPDP 3.0) standards. Notwithstanding OESS' discretionary application of its enforcement authority, the compliance date for use of these new standards remains Sun Jan 1, 2012 (small health plans have until Tue Jan 1, 2013 to comply with NCPDP 3.0).

CMS' Office of E-Health Standards and Services is the U.S. Department of Health and Human Services' component that enforces compliance with *HIPAA* transaction and code set standards.

OESS encourages all covered entities to continue working with their trading partners to become compliant with the new *HIPAA* standards, and to determine their readiness to accept the new standards as of Sun Jan 1, 2012. While enforcement action will not be taken, OESS will continue to accept complaints associated with compliance with Version 5010, NCPDP D.0, and NCPDP 3.0 transaction standards during the 90-day period beginning Sun Jan 1, 2012. If requested by OESS, covered entities that are the subject of complaints (known as "filed-against entities") must produce evidence of either compliance or a good faith effort to become compliant with the new *HIPAA* standards during the 90-day period.

OESS made the decision for a discretionary enforcement period based on industry feedback revealing that, with only about 45 days remaining before the Sun Jan 1, 2012 compliance date, testing between some covered entities and their trading partners has not yet reached a threshold whereby a majority of covered entities would be able to be in compliance by Sun Jan 1, 2012. Feedback indicates that the number of submitters, the volume of transactions, and other testing data used as indicators of the industry's readiness to comply with the new standards have been low across some industry sectors. OESS has also received reports that many covered entities are still awaiting software upgrades.

Version 5010, NCPDP Telecom D.0 and NCPDP Medicaid Subrogation 3.0 standards represent significant improvement over

the current standard versions. NCPDP Telecom D.0 addresses certain pharmacy industry needs. NCPDP Medicaid Subrogation 3.0 allows state Medicaid programs to recoup payments for pharmacy services in cases where a third party payer has primary financial responsibility. Version 5010 in particular provides more functionality for transactions such as eligibility requests and healthcare claims status. Implementation of Version 5010 also is a prerequisite for using the updated ICD-10 CM diagnosis and ICD-10-PCS inpatient procedure code set in electronic healthcare transactions effective Tue Oct 1, 2013.

Links to information on Version 5010, NCPDP D.0, and NCPDP 3.0 are available at [www.CMS.gov/ICD10](http://www.CMS.gov/ICD10).

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