
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal AB-01-169

Date: November 28, 2001

CHANGE REQUEST 1954

SUBJECT: Transaction Certification and Testing

This Program Memorandum (PM) instructs carriers, fiscal intermediaries (FIs), and Durable Medical Equipment Regional Carriers (DMERCs) to test your front end and back end HIPAA transactions via a third party HIPAA testing and certification system. The goal is to ensure that you can receive HIPAA-compliant inbound transactions and can send HIPAA-compliant outbound transactions, as well as provide assistance to you during the testing of your translators and standard system release. This service will be performed by Claredi which was subcontracted through the CMS Independent Verification and Validation (IV & V) contractor, Averstar. CMS considers Claredi's HIPAA transaction testing and certification service an excellent tool for you to perform consistent inbound and outbound transaction testing. Only unique combinations of Medicare contractor and standard systems will be tested. This means that even though a Medicare contractor may process workloads from a variety of States, if they are using the same translator and standard system, they would be considered one contractor for purposes of certification testing.

Claredi's product tests both inbound and outbound transactions. For inbound transactions, Claredi's system includes multiple downloadable test suites to exercise your translators' capabilities. For outbound transactions, Claredi provides an Electronic Data Interchange (EDI) data analyzer system that will perform the six levels of testing recommended by the Workgroup for Electronic Data Interchange (WEDI) Strategic National Implementation Process (SNIP). Each contractor is required to use Claredi's product. It will provide a consistent level of testing among you and in preparation with testing of your trading partners.

General Requirements

Claredi will perform testing for inbound and outbound X12N HIPAA transactions for all Medicare carriers, FIs and DMERCs[MLH1]. You will not be limited with respect to the size, number, or frequency of tests you perform. Claredi will provide certification that the HIPAA capability represented by the test cases for each transaction were met for each Medicare contractor who successfully tested using the Claredi product. Claredi will provide each contractor's status report to CMS; therefore, you do not need to report results to CMS.

The Claredi system will perform the 6 levels of testing recommended by the Workgroup for Electronic Data Interchange (WEDI) Strategic National Implementation Process (SNIP) for each outbound transaction you send to Claredi. Testing will be based on appropriate HIPAA syntax and implementation guide specifications and on CMS change requests and written instructions. The levels are:

Level 1– Integrity Testing: general testing of the X12 syntax and rules.

Level 2– Requirement Testing: testing for the HIPAA implementation guide's specific requirements.

Level 3– Balancing: testing for balanced amount fields, etc.

Level 4– Situation Testing: testing of specific segment situations (if A occurs then B is required).

Level 5– Code Set Testing: testing for valid implementation guide code values as well as valid medical code sets.

Level 6– Business Specific: testing for specific payer-related requirements, such as ambulance data required for certain services.

CMS Pub. 60A/B

Transaction Testing

You will upload your current base 837 test files to Claredi via your Claredi account. The Claredi system will produce variations of your 837 base test files and make them available to you. Claredi has developed customized inbound 837 test cases for carrier, FI and DMERC regression testing. The test cases were built from a list of Medicare requirements provided by CMS. The 837 test cases are accessible for download via www.claredi.com. Each set of test cases will contain a mix of HIPAA-compliant transactions, having correct X12 syntax, implementation guide (IG) compliance, and Medicare business requirements, and non-X12/ non-HIPAA compliant transactions containing errors at both the standard level (syntax) and IG level. The test cases will also contain non-Medicare data that will be stored in your repository in order to create outbound coordination of benefits (COB) transactions. If you need test cases not covered, please bring this to Claredi's attention.

? Health Care Claim

The receipt of the health care claim transaction (X12N 837 4010) will be the first HIPAA function you are to test using the Claredi testing and certification system. You are to process the 837 test cases through your translation process and implementation guide edit process. You are to upload a report to the Claredi website, noting all errors encountered. Claredi will analyze the results of each report submitted by each Medicare contractor, comparing those results with the results that were expected if the 837 test cases were received and processed correctly. Claredi will provide the results of their analysis on their web site within one business day, in a report format, for each Medicare contractor. Claredi will note all errors that were made when processing the test cases, the location in the transaction where the error occurred and type of error will be displayed in narrative form.

? Health Care Remittance Advice

The generation of the remittance advice transaction (X12N 835 4010) will be the second HIPAA function to be tested. You will send '837' test cases that you have used in your current testing environment to Claredi. Claredi will generate variations of the '837' test cases; filling in those gaps to ensure all functionality of the transaction is tested. You are to download the '837' test cases from the Claredi web site and use them to generate X12N 835 4010 remittance advice transactions.

Claredi will conduct an automated analysis of each outbound 835 transaction, detecting any HIPAA errors and Medicare business errors. Claredi will provide results of the analysis on their web site within one business day, displaying all transactions analyzed and all errors encountered in a report format. The report will include the type of error(s) (HIPAA compliant errors and Medicare business errors) that occurred at each of the 6 levels of testing described above.

? Coordination of Benefits

The generation of the coordination of benefits transaction (COB) (X12N 837 4010) will be the third HIPAA function to be tested. You will follow the scenario as described under the Health Care Remittance Advice section above, with the exception that you will generate '837' COB transactions. Claredi will perform the necessary analysis and reporting as described under the Health Care Remittance Advice section above.

? Claims Status Inquiry/Response

The receipt of the claim status inquiry transaction (X12N 276 4010) and generation of the claim status response transaction (X12N 277 4010) will be the fourth HIPAA function to be tested. You will upload '276' test cases that you have used in your current testing environment to the Claredi website. Claredi will generate variations of the '276' test cases; filling in those gaps to ensure all functionality of the transaction is tested. You will download the '276' test cases and use them to generate the X12N 277 4010 claim status response transaction. Claredi will perform the necessary analysis and reporting as described under the Health Care Remittance Advice section above.

? Eligibility Inquiry/Response

The receipt of the eligibility inquiry transaction (X12N 270 4010) and generation of the eligibility response transaction (X1N 271 4010) will be the fifth HIPAA function to be tested. You will send '270' test cases that you have used in your current testing environment to the Claredi website. Claredi will generate variations of the '270' test cases; filling in those gaps to ensure all functionality of the transaction is tested. You will download the '270' test cases and use those '270' test cases to generate X12N 271 eligibility response transactions. Claredi will perform the necessary analysis and reporting as described under the Health Care Remittance Advice section above.

Training

Claredi will provide a one-day, in-person group training in the use of the Claredi web site and tools to one staff member for each contractor who will be using the Claredi services. The training will be conducted at each CMS Regional Office (RO). The training dates are listed below. You will be notified by your consortium contractor management staff (CCMS) systems specialist of any changes in the dates. During the initial training period, an account will be created for each contractor staff member who will be using the Claredi services. This will be the account that you will use throughout the duration of your association with Claredi.

Your CCMS systems specialist contact will handle informal registration for the one-day class. You are to limit participation to a staff member who will have direct involvement in submitting and analyzing results from the HIPAA transaction and certification process. You are to provide your CCMS systems specialist the name of the person who will be attending the session.

Your staff member should attend the RO training session closest to his/her place of employment, but you have the option to send the staff member to another location if necessary to accommodate internal scheduling needs. There is no charge for the training class itself.

Regional Office

Date of Training

Boston	Monday, December 3, 2001
New York	Wednesday, December 5, 2001
Philadelphia	Thursday, December 6, 2001
Atlanta	Friday, December 7, 2001
Chicago	Tuesday, December 4, 2001
Dallas	Wednesday, December 12, 2001
Kansas	Monday, December 10, 2001
Denver	Tuesday, December 11, 2001
San Francisco	Thursday, December 13, 2001
Seattle	Friday, December 14, 2001

Timeframes

It is CMS's goal that all contractors be certified on a particular transaction prior to provider/trading partner testing.

Upon completion of the training, you are to deliver your base test files in X12N compliant format to Claredi, via your accounts. These should be uploaded to Claredi within 2 weeks after the final date of training. Claredi will create your test suites and will have them available to you within 7 days of delivery of your base test files. You may immediately begin testing the outbound transactions.

Costs

Costs for this training and related activities are referenced in the HIPAA Supplemental Budget Request (SBR) memorandum sent November 9, 2001. There is no charge for the training class itself.

The *effective date* of this PM is November 28, 2001.

The *implementation date* of this PM is November 28, 2001.

See the section of this instruction labeled “Costs” for testing and certification cost information.

This PM may be discarded after October 16, 2003.

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