
Program Memorandum Intermediaries/Carriers

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

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CHANGE REQUEST 2021

**SUBJECT: Generating an Outbound Coordination of Benefits (COB) X12N 837 (4010)
When Required Data is Missing or Invalid**

This Program Memorandum (PM) provides further guidance regarding the generation of a Health Insurance Portability and Accountability Act (HIPAA) compliant outbound X12N 837 COB transaction when incoming data, necessary to build a HIPAA-compliant outbound COB, is missing or invalid. The X12N 837 (4010) implementation guide (IG) has specific data requirements that must be present in order to build an outbound HIPAA-compliant X12N 837 COB transaction. Carriers, Durable Medical Equipment Regional Carriers (DMERCs) and standard system maintainers were instructed in CR 1417 and CR 1534 that they must generate HIPAA-compliant outbound X12N 837 COB transactions. Fiscal Intermediaries (FIs) and standard system maintainers were instructed in CR 1533.

An inbound claim received on paper or in a non-version 4010 electronic format could lack data elements, or contain data that do not meet the data attribute (alpha-numeric, numeric, minimum and maximum lengths, etc.) requirements needed to prepare a HIPAA-compliant outbound X12N 837 COB transaction. In most cases, claims with invalid data are rejected, but in limited cases, a claim could be accepted and adjudicated that lacks some requirements needed to build a HIPAA-compliant outbound X12N 837 COB transaction. It is also possible to receive data from the Common Working File that may not meet the X12N 837 version 4010 IG requirements for COB. Electronic COB transactions issued by Medicare must adhere to the data attribute requirements in the IG to be HIPAA-compliant. The flat file created by your standard system for COB must have all of the required and applicable conditional data elements that Carriers, DMERCs and FIs need in order to produce a HIPAA-compliant X12N 837 outbound COB transaction.

To remedy this, your standard system must “gap fill” data when issuing an outbound X12N 837 (4010) COB transaction, unless data is available from history, store and forward repository (SFR) or reference files. To “gap fill,” your standard system maintainer must enter meaningless character(s) that meet the data element minimum length requirement of an outbound X12N 837 COB transaction if insufficient data are available for entry in a required data element. Each standard system must consult with their users to determine which characters will be used to gap fill required data elements in this situation. The selected meaningless character(s) must be useable with every type of data where this situation could occur, e.g., with alphanumeric (AN), decimal (R), identifier (ID), date (DT), and other data types as appropriate. The values may not include any special characters, low values, high values, or **all** spaces since this could cause problems with your receiving trading partner’s translator. You must share this information with your trading partners to alert them as to when and why these characters will appear in an outgoing transaction.

The *effective date* for this PM is April 25, 2002.

The *implementation date* for this PM is October 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after October 1, 2003.

If you have any questions, contact Joy Glass (410-786-6125), email: jglass@cms.hhs.gov.

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