

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 565	Date: October 2, 2009
	Change Request 6646

SUBJECT: Common Edits and Enhancements Module (CEM) Continued Analysis and Design and Implementation for the Multi Carrier System (MCS) Contractor Only

I. SUMMARY OF CHANGES: The purpose of this CR is to provide further direction to the Part B CEM contractor, MCS, to complete their analysis and design and implementation of the CEM which will reside at the local data center.

This CR also provides clarification of the roles and responsibilities of the shared systems, A/B Medicare administrative contractors, and the CEM contractors.

NEW/REVISED MATERIAL

EFFECTIVE DATE: JANUARY 1, 2010 FOR FOR ANALYSIS AND DESIGN AND APRIL 1, 2010 FOR IMPLEMENTATION

IMPLEMENTATION DATE: JANUARY 4, 2010 FOR ANALYSIS AND DESIGN AND APRIL 5, 2010 FOR IMPLEMENTATION

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED**

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers: N/A

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

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SUBJECT: Common Edits and Enhancements Module (CEM) Continued Analysis and Design and Implementation for the Multi Carrier System (MCS) Contractor Only

Effective Date: January 1, 2010, for analysis and design and April 1, 2010, for implementation
Implementation Date: January 4, 2010, for analysis and design and April 5, 2010, for implementation

I. GENERAL INFORMATION

A. Background: The purpose of this CR is to provide further direction to the Part B CEM contractor, MCS, to complete their analysis & design and implementation of the CEM which will reside at the local data center.

This CR also provides clarification of the roles and responsibilities of the shared systems, A/B Medicare administrative contractors, and the CEM contractors.

B. Policy: The administrative simplification provisions of HIPAA require the Secretary of HHS to adopt standard electronic transactions and code sets for administrative health care transactions. The Secretary may also modify these standards periodically.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6646.1	MCS shall complete analysis & design in preparation for the development of the CEM.							X			
6646.2	MCS shall complete implementation of the CEM.							X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

X-Ref Requirement Number	Recommendations or other supporting information:
	The contractor front end receives 837 file at the LDC. The contractor front end executes translation and performs standard and certain Technical Report 3 (TR3) edits, as reflected in the 837 professional edit spreadsheet. The contractor's front end will use the edit spreadsheet to determine whether an edit failure necessitate the rejection of the entire transaction set or whether those errors should be passed onto the CEM for claim level rejection via the 277CA (claims acknowledgement). If an error is set that necessitates the rejection of the entire transaction

X-Ref Requirement Number	Recommendations or other supporting information:
	set, the contractor front end returns the 999 acknowledgement indicating rejection to the submitter to conclude this process. If an error is set that does not necessitate the rejection of the entire transaction set, the contractor front end creates an 'STC' segment to document the error and inserts it into the 837 flat file following the segment containing the error (see Transmittal 559, Change Request 6575, dated September 18, 2009). If no errors are set that necessitates the rejection of the entire transaction set, the contractor front end returns the 999 acknowledgement indicating acceptance to the submitter, and sends on the 837 flat file containing STC error segments (if applicable) to the CEM. The contractor front end creates the skeleton required control record, populating CTR17, if desired, and certain specified elements as required by CMS (further guidance will be issued in a future CR).
	The CEM executes a process that performs the following functions: 1) performs inbound receipt control and balancing activity (see Transmittal 537, Change Request 6597, dated August 21, 2009), 2) edits the 837 flat file, performing Medicare edits and certain Technical Report 3 (TR3) edits resulting in a 277CA (claim acknowledgement) (see Transmittal 518, Change Request 6475, dated July 17, 2009), 3) formats 277CA rejection responses based on edit failures as detected by the CEM and the contractor front end, as identified by STC segments in the 837 flat file. (see Transmittal 545, Change Request 6622, dated August 28, 2009), 4) assigns a control number to accepted claims (see Transmittal 512, Change Request 6558, dated July 2, 2009), 5) formats 277CA acceptance responses in a flat file that include claim control numbers (see Transmittal 545 Change Request 6622, dated August 28, 2009), 6) fully populates the required control record that will be used on transmission file to the EDC to allow for receipt, outbound control and balancing processes to occur, (see Transmittal 537, Change Request 6597, dated August 21, 2009), 7) passes the 277CA flat file back to the contractor front end system for delivery to the trading partner, and 8) delivers the fully edited 837 flat file containing only accepted claims to the EDC, including the required control record.
	The standard system performs receipt, control and balancing functions at the EDC, updates the required control record and transmits it back to the LDC. The standard system stages accepted claims from the CEM for the batch cycle and processing within the MCS claim system.

Section B: For all other recommendations and supporting information, use this space:

The CMS expects to implement ASC X12 Version 005010 transactions over multiple releases. The intent is for CMS to be ready to exchange ASC X12 Version 005010 transactions after December 31, 2010. During the transition period, CMS expects to exchange HIPAA test and production transactions in both 004010A1 and 005010 versions.

V. CONTACTS

Pre-Implementation Contact(s): Brian Reitz, Brian.Reitz@cms.hhs.gov, 410-786-5001.
Post-Implementation Contact(s): Brian Reitz, Brian.Reitz@cms.hhs.gov, 410-786-5001.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*, use only one of the following statements: N/A

Section B: For *Medicare Administrative Contractors (MACs)*, include the following statement:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.