

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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## **Center for Medicare**

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**DATE:** November 22, 2011

**TO:** All Medicare Advantage Organizations, Cost Plans, PACE Organizations, Demonstrations, and Prescription Drug Plans

**FROM:** Cheri Rice /s/  
Director, Medicare Plan Payment Group

**SUBJECT:** Encounter Data Submission Implementation Presently Unaffected by 90-Day Period of Enforcement Discretion for Compliance with New HIPAA Transaction Standards: Further Guidance Forthcoming

On November 17, the Centers for Medicare & Medicaid Services' Office of E-Health Standards and Services (OESS), announced that it would not initiate enforcement action with respect to any HIPAA covered entity non-compliant with the ASC X12 Version 5010 (5010 format) standards until 90 days after the January 1, 2012 compliance date, or until March 31, 2012. The compliance date for implementation of these updated standards remains January 1, 2012. For more information, please view the complete statement here:

<http://www.cms.gov/ICD10/Downloads/CMSStatement5010EnforcementDiscretion111711.pdf>.

CMS is in the process of assessing the impact of this announcement on the encounter data initiative. We will work with the industry to determine their capacity to submit encounter data using 5010 format by January 3, 2012, and what the 90-day period of enforcement discretion for compliance with the new HIPAA transaction standards means for encounter data implementation. We will issue related guidance by December 14, 2011.

At this time, Medicare Advantage Organizations (MAOs) and other entities must continue to plan to submit encounter data for 2012 dates of service, beginning January 3, 2012. The current phase of the encounter data implementation includes the preparation of systems and files for front-end testing. Front-end testing is scheduled to continue through January 3, 2012. The January 1, 2013 deadline for PACE organizations is also unchanged.