

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
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Center for Medicare

DATE: December 14, 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 and the 90-Day Period of Enforcement Discretion for Compliance with the New HIPAA Transaction Standards

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>.

MAOs and other entities must submit encounter data for dates of service beginning January 1, 2012 in the 5010 format. Once the Encounter Data System goes live on January 3, 2012, MAOs and other entities may submit data as often as daily and should not delay in the submission of data. We understand that plans may receive a number of claims in the 4010 format until enforcement actions begin for the 5010 format. Consistent with the OESS decision, we will defer action for noncompliance, with the exceptions of frequency of submission and system certifications, until **March 31, 2012**. CMS is currently working with the industry on options for submitting data that comes to MAOs and other entities in the 4010 format in accordance with encounter data system requirements.

The January 1, 2013 deadline for PACE organizations is unchanged.