CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 344	**Date: May 23, 2008**
	Change Request 6026

Subject: VMS Modifications to Implement the Common Electronic Data Interchange (CEDI) System, Part II

I. SUMMARY OF CHANGES: This Change Request (CR) prescribes the requirements for the system changes necessary to prepare for the implementation of the DME MAC CEDI front end system.

New / Revised Material
Effective Date: October 1, 2008
Implementation Date: October 6, 2008

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-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
Not Applicable.

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

Pub. 100-20	Transmittal: 344	Date: May 23, 2008	Change Request: 6026

SUBJECT: VMS Modifications to Implement the Common Electronic Data Interchange (CEDI) System, Part II

Effective Date: October 1, 2008

Implementation Date: October 6, 2008

I. GENERAL INFORMATION:

Change Request (CR) 5755, Pub. 100-04, Transmittal 1402 requested a system analysis from ViPS, the Durable Medical Equipment Medicare Administrative Contractor (DME MAC) shared system maintainer, regarding the system changes that would be required in order to remove or disable certain functionality of the Electronic Data Interchange (EDI) front end system in preparation for the implementation of the Common Electronic Data Interchange (CEDI) System, a common EDI front end developed to support the DME MACs. As a result of that analysis, this CR prescribes the requirements for the system changes necessary to prepare for the implementation of the DME MAC CEDI front end system. This instruction does not affect Fiscal intermediaries, carriers, RHHIs, MCS, and FISS.

A. Background:

Currently, front end EDI processing for DME claims occurs in four separate systems. Two of these systems are operated by DME MACs and two are operated by data center services contractors under direct contract with the Centers for Medicare and Medicaid Services (CMS). The front-end EDI systems perform edits on incoming Medicare DME claims and forwards the output data from transactions that pass edits to the core of the VMS shared system claims processing environment. Each of the four systems used for DME front end transaction processing has been developed as a proprietary system to meet its developer's own business objectives. Logic specific to Medicare requirements was added to accommodate the Medicare claims transactions.

Since each system is owned and developed by separate entities, variations exist in the way in which individual front end systems process claims and in the results they produce. This creates confusion with suppliers and beneficiaries. It can also lead to the rejection of eligible claims as well as the payment of ineligible claims depending upon which front end system processed the transaction.

The business requirements associated with this CR will be effective on October 1, 2008 regardless of the date of service or date of receipt of the claim.

B. Policy: N/A

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6026.1	VMS shall disable all levels of pre-pass editing associated with the HIPAA version of ANSI 837 claim, excluding OCR, Telephone and/or Keyshop claims, that are submitted in the 837 flat file format. This includes Implementation Guide (IG), CMS companion guide and Medicare "return as unprocessable" edits.								**X**		
6026.2	The VMS shared system shall continue to support OCR, Telephone, and/or Keyshop claims submitted in the 837 flat file format.								**X**		
6026.3	VMS shall disable all levels of pre-pass editing associated with the 276 flat file.								**X**		
6026.4	VMS shall continue to edit and misdirect all NCPDP transactions until a future CR is written to remove the edits.								**X**		
6026.5	VMS shall disable the current VMS misdirected claims logic for X12 (837) claims only.								**X**		
6026.6	VMS shall continue to produce separate flat files for each DME MAC for each of the outbound transactions (277 and 835) and send these flat files to the CEDI.								**X**		
6026.7	VMS shall no longer support their existing CCN generation process for X12 (837 claims only).								**X**		
6026.8	VMS shall support the CCN assignment by the CEDI (for X-12 claims only) as follows: **CYYJJJBBBBSS000** C= Century, YY = Year, JJJ = Julian, BBBB = Batch Number (0000–9999), SS = Sequence Number, '000' For Internal Use by SSM.								**X**		
6026.9	The CEDI contractor shall submit the assigned CCN number in Loop 2300 on the "dummy" REF segment (+CN) for X837 claims.										CEDI
6026.10	The CEDI contractor shall date stamp with the date that CEDI contractor received the claim and will present it on the +RC field on the 837 flat										CEDI

	file.										
6026.11	VMS shall continue to be responsible for the creation of the X12 837 COBC and NCPDP COBC files. The transmission of these files will be the responsibility of the EDC.							**X**		EDC
6026.12	VMS, the CEDI contractor and the DME MACs shall work together in order to develop a testing process/coordination effort that will ensure proper implementation/transition of all changes for production release.		X					**X**		CEDI
6026.13	VMS shall receive from CEDI contractor the last Claim Control Number (CCN) assigned to the last claim in the 837 format in the last job cycle.							**X**		CEDI
6026.14	VMS shall increment the CCN, as appropriate, to NCPDP claims for processing.							**X**		
6026.15	VMS will work with the CEDI contractor on the validation of the edits.							**X**		CEDI
6026.16	VMS will work with the CEDI to develop an automated process to update the biller control file and provider file based upon EDI agreements.							**X**		CEDI
6026.17	The CEDI contractor will implement all NPI cross walk editing based on EDI requirements.									CEDI
6026.18	The CEDI, VMS, and EDC will establish a process to balance the receipt of claims between the parties.							**X**		CEDI EDC

III. PROVIDER EDUCATION TABLE

Number	**Requirement**										
		A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
6026.19	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. The DME MACs in Jurisdictions A, B, C and D shall inform providers/suppliers in the States of their respective Jurisdictions regarding the change to a common EDI front end system. The contractors shall post this information on their		X								

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
	Web sites and include this information in listserv messages. Contractors are free to supplement this education with localized information that would benefit their supplier community in billing and administering the Medicare program correctly										

IV. SUPPORTING INFORMATION

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

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	None.

B. Contractor Financial Reporting /Workload Impact: N/A

V. CONTACTS

Pre-Implementation Contact(s):
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VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs)*:
N/A

***Section B: For Medicare Administrative Contractors (MAC)*:**

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). 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.