

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 803	Date: November 5, 2010
	Change Request 7075

Note to Contractors: Transmittal 755 dated August 13, 2010, is rescinded and replaced by Transmittal 803, dated November 5, 2010, to split the work out between the January release for CEDI, and the April release for the VMS shared system maintainer. All other information remains the same.

SUBJECT: National Council for Prescription Drug Programs (NCPDP) code set updates.

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to provide direction to the Durable Medical Equipment (DME) Medicare Administrative Contractors (MAC) Common Electronic Data Interchange (CEDI) contractor and the ViPS Medicare System (VMS) shared system maintainer to perform an analysis on all external codes list necessary for editing purposes of the new D.0 NCPDP standard, and make all necessary changes to internal code tables.

EFFECTIVE DATE: * January 1, 2011 for CEDI
April 1, 2011 for VMS

IMPLEMENTATION DATE: January 3, 2011 for CEDI
April 4, 2011 for VMS

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:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
Not Applicable.

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. ATTACHMENT:

One-Time Notification

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

Attachment – One-Time Notification

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SUBJECT: National Council for Prescription Drug Programs (NCPDP) code set updates

Effective Date: January 1, 2011 for CEDI
April 1, 2011 for VMS

Implementation Date: January 3, 2011 for CEDI
April 4, 2011 for VMS

I. GENERAL INFORMATION

A. Background: The Centers for Medicare and Medicaid Services (CMS) is in the process of implementing the next version of the Health Insurance Portability and Accountability Act transactions. The Secretary of the Department of Health and Human Services (DHHS) has adopted Accredited Standards Committee (ASC) X12 Version 5010, and the National Council for Prescription Drug Programs (NCPDP) Version D.0 as the next HIPAA transaction standards for covered entities to exchange HIPAA transactions. The final rule was published on January 16, 2009. Some of the important dates in the implementation process are:

Effective Date of the regulation:	March 17, 2009
Level I compliance by:	December 31, 2010
Level II Compliance by:	December 31, 2011
All covered entities have to be fully compliant on:	January 1, 2012

Level I compliance means “that a covered entity can demonstrate that it could create and receive compliant transactions, resulting from the compliance of all design/build activities and internal testing.”

Level II compliance means “that a covered entity has completed end-to-end testing with each of its trading partners, and is able to operate in production mode with the new versions of the standards.”

DHHS has promulgated in the Final Rules provisions which permit dual use of existing standards (ASC X12 4010A1 and NCPDP 5.1) and the new standards (5010 and D.0) from the March 17, 2009, effective date until the January 1, 2012 compliance date to facilitate testing subject to trading partner agreement.

The purpose of this Change Request (CR) is to provide direction to the Durable Medical Equipment (DME) Medicare Administrative Contractors (MAC) Common Electronic Data Interchange (CEDI) contractor and the ViPS Medicare System (VMS) shared system maintainer to perform an analysis on all external codes list necessary for editing purposes of the new D.0 NCPDP standard, and make all necessary changes to internal code tables.

Estimates for this CR should include a breakdown as part of the Level of Effort (LOE) response, utilizing the following table to be included in the “Estimate-Specific Comments” portion of the LOE template, to follow the Investment Lifecycle Phases.

Investment Lifecycle Phase	Total Hours	Total Cost
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Pre-Implementation/CR Review		
Design & Engineering Phase		
Development Phase		
Testing Phase		
Implementation Phase		

***NOTE:** The Pre-Implementation/CR Review costs will not be funded under the unique funding situation for the 5010/D.0 project, but instead out of the MAC's pot of hours for Pre-Implementation/CR Review.*

B. Policy: Health Insurance Reform: Modifications to the Health Insurance Portability and Accountability Act (HIPAA): Final Rules published in the Federal Register on January 16, 2009, by the Department of Health and Human Services at 45 CFR Part 162.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M E A C	F I M A C	C A R E R	R H I E R	Shared-System Maintainers				OTH ER	
							F I S S	M C S	V M S	C W F		
7075.1	The DME MAC's CEDI Contractor and the Shared System Maintainer shall evaluate all NCPDP External Code List (ECL) changes made after the October 2009 publication (all listed within the newest publication of the ECL), and have code tables updated as necessary.											CEDI
7075.2	The DME MAC's CEDI Contractor shall evaluate the newest publication of the National Library of Medicine Systematized Nomenclature of Medicine (SNOMED) code list, to ensure the current two code values used for Medicare business rules remain active and valid codes											CEDI
7075.2.1	In the event that either or both code values be identified as inactive, invalid, or deleted, CEDI shall make a recommendation to CMS regarding replacement values to be used and proceed with table updates only after receiving CMS approval."											CEDI
7075.3	The DME MAC's CEDI Contractor and the Shared System Maintainer shall evaluate the changes in the newest publication of the NCPDP External Code List (ECL) dated June 2010 for changes to the reject codes, and have code tables updated as necessary.								X			CEDI

III. PROVIDER EDUCATION TABLE

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

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:
	None

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

V. CONTACTS

Pre-Implementation Contact(s): Jason Jackson (410) 786-6156 jason.jackson3@cms.hhs.gov
 Brian Reitz (410) 786-5001 brian.reitz@cms.hhs.gov

Post-Implementation Contact(s): Jason Jackson (410) 786-6156 jason.jackson3@cms.hhs.gov
 Brian Reitz (410) 786-5001 brian.reitz@cms.hhs.gov

VI. FUNDING

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