Attachment - Business Requirements

Pub. 100-04	Transmittal: 114	Date: February 27, 2004	Change Request 2981

SUBJECT: Modification of CMS' Medicare Contingency Plan for HIPPA Implementation

The APASS maintainer and associated FIs are waived from implementing this requirement on July 6, 2004, due to their upcoming transition to the FISS system. However, they must implement this requirement upon transitioning to the FISS system.

I. GENERAL INFORMATION

A. Background: Under the existing legislated payment floor, electronic media claims (EMC) may not be paid earlier than the 14th day after the date of receipt (13-day waiting period). Non-electronic claims cannot be paid earlier than the 27th day after the date of receipt (26-day waiting period). The Health Insurance Portability and Accountability Act (HIPAA) requires that claims submitted electronically effective October 16, 2003 be in a format that complies with the appropriate standard adopted for national use. Claims submitted via direct data entry (DDE) where supported by a carrier or intermediary are considered to be HIPAA-compliant electronic claims.

The Administrative Simplification and Compliance Act (ASCA) requires that claims be submitted to Medicare electronically by October 16, 2003, with some exceptions. A contingency plan has been invoked to temporarily accept electronic claims in a non-HIPAA format after October 15, 2003 while submitters complete implementation and testing efforts. To support the goal in the HHS July 24, 2003, HIPAA contingency planning document that trading partners be encouraged to comply with the HIPAA standards requirements as soon as possible, CMS is modifying application of the payment floor. Only those claims submitted electronically in a HIPAA-compliant claim format will now be considered eligible for payment as early as the 14th day after the date of receipt. All other claims, including those submitted electronically in a pre-HIPAA format under a Medicare contingency plan, will not be paid earlier than the 27th day after the date of receipt.

For CROWD workload reporting purposes, only HIPAA-compliant electronic claims may now be reported in the EMC category. Non-HIPAA compliant EMC must now be included in the total reported in the paper claims category. This payment floor differentiation between HIPAA-compliant and non-HIPAA-compliant electronic claims does not apply to the payment ceiling (30-days for all clean claims), nor to the Contractor Performance Evaluation (CPE) requirement that 95% of clean electronic (HIPAA or non-HIPAA compliant) and paper claims be processed by the statutorily specified timeframes.

B. Policy: By regulation, Medicare has been prohibited for 10 years from paying electronic claims earlier than the 14th day after the date of receipt, and non-electronic claims earlier than the 27th day after the date of receipt.

C. Provider Education: A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article to their Web site or place a link to the article on the medlearn matters website, and include it in a listserv message, within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

The "job aid" accompanying this instruction should be given to provider customer service representatives (CSRs) to assist them in answering provider questions.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
2981.1 Ch. 1, Sec. 80.2.1.2	Make system changes as needed to identify non-HIPAA EMC and to report non-HIPAA EMC in the paper claim category for workload reporting purposes.	All contractors and shared system maintainers
2981.2 Ch. 1, Sec. 80.2.1.2	Make system changes as needed to recalculate the EMC and non-EMC claims totals in CROWD.	All contractors, shared system maintainers, and CO CROWD system maintainers
2981.3 Ch. 1, Sec. 80.2.1.2	Apply the 27-day payment floor to all non-HIPAA EMC, including 837 version 4010 claims. Limit use of the 14-day payment floor to NCPDP HIPAA claims and 837 version 4010A1 claims.	All contractors and shared system maintainers

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: The prior methodology for calculation of EMC totals for workload reporting purposes will continue to apply, but separate calculations must now be conducted to determine the total for those claims that have been submitted in X12.837 version 4010A1, the NCPDP HIPAA format, and via DDE separate from the total for non-HIPAA compliant electronic claims. The total of non-HIPAA EMC must now be included in the paper claims total for CROWD reporting purposes.

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces:

D. Contractor Financial Reporting /Workload Impact: See A.

E. Dependencies: Implementation of the separately issued instructions to require electronic submission of Medicare claims, with some exceptions.

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: July 1, 2004 **Implementation Date: July 6, 2004** **Pre-Implementation Contact(s):** Kathleen Simmons (Ksimmons@cms.hhs.gov) **Post-Implementation Contact(s):** Kathleen Simmons (Ksimmons@cms.hhs.gov)	**These instructions should be implemented within your current operating budget.**

Attachment