CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Transmittal 49 **Date: DECEMBER 19, 2003**

CHANGE REQUEST 2879

I. SUMMARY OF CHANGES: Health Insurance Portability and Accountability Act (HIPAA) X12N 837 Health Care Claim Transaction must be rejected by the Fiscal Intermediaries at the claim level when certain levels of errors are detected.

NEW/REVISED MATERIAL - EFFECTIVE DATE: April 1, 2004
***IMPLEMENTATION DATE: April 5, 2004**

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.

II. CHANGES IN MANUAL INSTRUCTIONS:
(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	24/Table of Contents
N	24/40.1.3/FI HIPAA Claim Level Edits

III. FUNDING: *Medicare Intermediaries only:

Contractors are to submit funding requests for any costs incurred in the installation of the APASS module and any necessary translator modifications. You are to provide a detailed explanation for each task for which you are requesting additional funding. Submit any funding requests to Sumita Sen (SSEN@cms.hhs.gov) by January 16, 2004, with an e-mail copy to your applicable Consortium Contractor Management Staff coordinator per the Joint Signature Memorandum dated December 12, 2003, entitled "Sending on HIPAA Transactions-Related costs under the Continuing Resolution".

IV. ATTACHMENTS:

X	**Business Requirements**
X	**Manual Instruction**
	Confidential Requirements
	One-Time Notification

Business Requirements

Pub. 100-04	Transmittal: 49	Date: December 19, 2003	Change Request 2879

I. GENERAL INFORMATION

A. Background:

To ensure that Fiscal Intermediaries (FIs) using the FI Shared System (FISS) are consistently rejecting X12N 837 claims at the claim level when certain levels of errors are detected, CMS has developed requirements for those FIs.

B. Policy:

The FISS FIs that return the entire batch as a result of errors that occur at the claim level are directed to make the necessary changes to their front-end system and/or translator (or those they contract with) to allow for rejecting only those claims that contain implementation guide (IG) errors within a transmission based on business requirements provided below (indentation is used to help show the various levels). The FISS FIs that return the entire batch as a result of errors that occur at the claim level must install and test the APASS IG edit module received from the FISS maintainer at their front-end. This entails setting up the module as a stand-alone job at the front-end, after the translator process. If a batch of claims passes the basic translator syntax edits, the APASS IG edit module will be invoked and only claims that fail the IG edits will be rejected and appropriate reports generated. Claims that pass the IG edits will be sent to the FISS maintainer for further processing.

ISA (example 1)
GS (example 2)
ST (example 3)
PROV A
SUBSCRIBER A (example 5)
CLAIM A1 (example 6)
CLAIM A2
CLAIM A3
SUBSCRIBER AA
CLAIM AA1
CLAIM AA2
PROV B (example 4)
SUBSCRIBER B
CLAIM B1
CLAIM B2 (example 6)
CLAIM B3
SE

ST
PROV C
SUBSCRIBER C
CLAIM C1
CLAIM C2
CLAIM C3 (example 6)
PROV D
SUBSCRIBER D
CLAIM D1
CLAIM D2

CLAIM D3
SE
GE
IEA

Example 1 (ISA-IEA level IG edit): Any errors found at this level (envelope) will result in **all claims within the ISA-IEA** being rejected.

Example 2 (GS-GE level IG edit): Any errors found at this level will result in **all claims within the GS-GE** being rejected. In this example all claims would be rejected. If a second GS-GE loop followed the first and passed all edits, then any claims within the second GS-GE would be entered into the system providing they passed the IG edits.

Example 3 (ST-SE level IG edit): Any errors found at this level will result in all **claims within the ST-SE** being rejected. In this example assume only the first ST had errors. In this case claims A1, A2, A3, B1, B2, B3 would be rejected. Claims C1, C2, C3, D1, D2, D3 would be entered into the system providing they passed IG edits.

Example 4 (Provider level IG edit): Any errors found at this level will result in **all claims for this provider** being rejected. In this example assume only the Provider B had errors (such as an invalid provider number). In this case, claims A1, A2, A3, C1, C2, C3, D1, D2, D3 would be entered into the system providing they passed IG edits and claims B1, B2, B3 would be rejected.

Example 5 (Subscriber level IG edit): Any errors found at this level will result in all claims for this subscriber being rejected. In this example, claims for Subscriber A (A1, A2, and A3) would be rejected. Claims for Subscriber AA (AA1 and AA2) would be entered into the system providing they passed IG edits.

Example 6 (Claim level IG edit): Any errors found at this level will result in **only that claim(s)** being rejected. In this example assume only claims A1, B2 and C3 had errors. All of the other claims would be entered into the system providing they passed IG edits.

C. Provider Education: None

II. BUSINESS REQUIREMENTS

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

Requirement #	Requirements	Responsibility
2879.1	Make the necessary IG editing changes to your system and/or translator (or those you contract with) to allow for accepting HIPAA compliant claims and rejecting those claims with IG errors per the 837 transaction example under I.B.	FISS FIs that return the entire batch as a result of errors that occur at the claim level.
2879.2	Implement the APASS IG module in FISS. It will be at the front-end (after the translator).	FISS FIs that return the entire batch as a result of errors that occur at the claim level.
2879.3	Provide detailed APASS IG module installation instructions.	APASS

II. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

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

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. OTHER CHANGES : N/A

Citation	Change

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: April 1, 2004 **Implementation Date: April 5, 2004** **Pre-Implementation Contact(s): Matt Klischer, mklischer@cms.hhs.gov 410-786-7488** **Post-Implementation Contact(s): Matt Klischer, mklischer@cms.hhs.gov 410-786-7488**	**Funding is available through CR 2920 dated October 17, 2003.**

Medicare Claims Processing Manual

Chapter 24 - EDI Support Requirements

Table of Contents
(Rev. 49, 12-19-03)

40.1.3 FI HIPAA Claim Level Edits

(Rev. 49, 12-19-03)

The FIs must reject 837 claims with implementation guide (IG) errors at the claim level. FIs must install the APASS IG edit module in order to reject claims that have implementation guide (IG) errors at the claim level (see example below). If a batch of claims passes the basic syntax edits, the APASS IG edit module will be invoked and only claims that fail the IG edits will be rejected and appropriate reports generated.

ISA (example 1)
GS (example 2)
ST (example 3)
PROV A
SUBSCRIBER A (example 5)
CLAIM A1 (example 6)
CLAIM A2
CLAIM A3
SUBSCRIBER AA
CLAIM AA1
CLAIM AA2
PROV B (example 4)
SUBSCRIBER B
CLAIM B1
CLAIM B2 (example 6)
CLAIM B3
SE

ST
PROV C
SUBSCRIBER C
CLAIM C1
CLAIM C2
CLAIM C3 (example 6)
PROV D
SUBSCRIBER D
CLAIM D1
CLAIM D2
CLAIM D3
SE

GE

IEA

Example 1 (ISA-IEA level IG edit): Any errors found at this level (envelope) will result in all claims within the ISA-IEA being rejected.

Example 2 (GS-GE level IG edit): Any errors found at this level will result in all claims within the GS-GE being rejected. In this example all claims would be rejected. If a second GS-GE loop followed the first and passed all edits, then any claims within the second GS-GE would be entered into the system providing they passed the IG edits.

Example 3 (ST-SE level IG edit): Any errors found at this level will result in all claims within the ST-SE being rejected. In this example assume only the first ST had errors. In this case claims A1, A2, A3, B1, B2, B3 would be rejected. Claims C1, C2, C3, D1, D2, D3 would be entered into the system providing they passed IG edits.

Example 4 (Provider level IG edit): Any errors found at this level will result in all claims for this provider being rejected. In this example assume only the Provider B had errors (such as an invalid provider number). In this case, claims A1, A2, A3, C1, C2, C3, D1, D2, D3 would be entered into the system providing they passed IG edits and claims B1, B2, B3 would be rejected.

Example 5 (Subscriber level IG edit): Any errors found at this level will result in all claims for this subscriber being rejected. In this example, claims for Subscriber A (A1, A2, and A3) would be rejected. Claims for Subscriber AA (AA1 and AA2) would be entered into the system providing they passed IG edits.

Example 6 (Claim level IG edit): Any errors found at this level will result in only that claim(s) being rejected. In this example assume only claims A1, B2 and C3 had errors. All of the other claims would be entered into the system providing they passed IG edits.