Program Memorandum
Carriers

Department of Health and Human Services (DHHS)

~~HEALTH CARE FINANCING~~ ADMINISTRATION (HCFA)

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Date: SEPTEMBER 28, 2000

CHANGE REQUEST 1094

SUBJECT: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Transaction Standards

This Program Memorandum (PM) instructs carriers, Durable Medicare Equipment Regional Carriers (DMERCs), and their standard systems to begin systems analysis and planning in order to program and test the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) inbound X12N 837 Health Care Claim, version 4010, outbound X12N 837 (Coordination of Benefits (COB)), and X12N 835 Health Care Claim (HCC) Payment/Advice. In order to implement the HIPAA administrative simplification provisions, these transaction standards are being named under part 162 of title 45 of the Code of Federal Regulations as the standard for electronic health care claims, coordination of benefits, and remittance advice. All other formats for electronic health care claims, COB transactions, and remittance advice will become obsolete for submission of claims data, exchange of COB data, and submission of remittance data within 2 years after the effective date of the publication of part 162 in the *Federal Register*.

ANSI ASC X12N 837 (4010) Documentation

The HIPAA implementation guide for the ANSI ASC X12N 837 (4010) and 835 (4010) may be found at the following web site: www.wpc-edi.com. A separate 835 PM will be issued soon. You and your standard systems may use an alternate format for your internal systems programming, as long as incoming and outgoing transactions are translated to fully comply with the HIPAA requirements. In order that you map the inbound X12N 837 to the appropriate flat file data elements, a flat file format is being developed and is to be used for your internal systems programming. Submitters may send an inbound X12N 837 transaction that contains all data possible and you must be able to accept it at your front end, however, you do not have to process non-Medicare information.

A list of segments that are not required for Medicare is included in the Medicare map document. A list of the major differences between version 3051 (Medicare implementation) and 4010 is also included in this document.   These documents may be found at the following web site: www.hcfa.gov/medicare/edi/hipaadoc.htm.   The current document names are flatmb.exe and medbmap.exe. The flat file format is a self-extracting compressed file and is currently based on the National Standard Format. The flat file is being revised and is expected to be X12N 837 based. You will be notified as updates occur.

Analysis and Planning

You and your standard system maintainers are to perform the necessary systems analysis and planning for the implementation of the inbound X12N 837, X12N 835 and outbound X12N 837 (COB) prior to January 1, 2001. This does not include changes to accommodate the National Drug Code, National Provider Identifier, Payer Identifier, and the elimination of local procedure codes. Those changes are not being implemented at this time. Instructions will be provided at a later date.

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Programming

Your standard systems maintainers must make the necessary programming changes and install the inbound X12N 837 HCC transaction on or about April 1, 2001. You must begin internal programming on or about April 1, 2001. You are to begin testing the inbound X12N 837 with your Electronic Data Interchange (EDI) submitters on or about October 1, 2001.

You will be notified in a forthcoming PM regarding the requirements for the X12N 835 and outbound X12N 837 COB and the dates your standard systems are to make the necessary programming changes, complete internal testing, and have their release delivered to the Beta test site. You will also be notified when to begin testing the X12N 835 and outbound X12N 837 (COB) with your EDI submitters and trading partners, as well as the instructions on reporting requirements.

Individual contractors are to continue to offer free electronic billing software. You must upgrade your free billing software to support the submission of claims in the X12N 837 (4010) format. You will receive additional instructions directing you to begin phasing out your free billing software approximately 1 year after all of the HIPAA standards are implemented.

The *effective date* for this PM is October 1, 2000.

The *implementation date* for this PM is April 1, 2001.

Carriers will be provided funding for retesting of their EDI submitters and trading partners through the regular budget process.

DMERCs and their shared systems will be provided funding for implementation and testing the X12N 837 standard through the regular budget process.

This PM may be discarded after October 1, 2002.

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