CMS Manual System	Department of Health & Human Services (DHHS)
Pub. 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 84	Date: FEBRUARY 6, 2004
	CHANGE REQUEST 3095

I. SUMMARY OF CHANGES: The Durable Medical Equipment Regional Carriers (DMERCs) shared system maintainer must make changes to their editing process to allow segments to be transmitted in any order. According to the National Council for Prescription Drug Program (NCPDP), "The receiver cannot force an order of segments". This change will allow segments to come in any order as long as the group separator precedes any of the segments.

NEW/REVISED MATERIAL - EFFECTIVE DATE: July 1, 2004
*IMPLEMENTATION DATE: July 6, 2004

Disclaimer for manual changes only: The revision date and transmittal number apply only to the red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will only receive the new/revised information, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS:
  (R = REVISED, N = NEW, D = DELETED – (*Only One Per Row.*)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	24/Table of Contents
N	24/40.7.3/ National Council for Prescription Drug Program (NCPDP) Implementation

*III. FUNDING:

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

*Medicare contractors only

Attachment - Business Requirements

Pub. 100-04	Transmittal: 84	Date: February 6, 2004	Change Request 3095

SUBJECT: **Additional Guidelines for Implementing the National Council for Prescription Drug Program (NCPDP)**

I.   GENERAL INFORMATION

A.   Background: Shared system changes are needed to be able to receive the NCPDP HIPAA claim transaction according to the implementation guide (IG), therefore allowing a HIPAA compliant claim. According to the NCPDP, "The receiver cannot force an order of segments". These edits will allow segments to be transmitted in any order as long as a group separator precedes any of the segments. In addition, certain informational modifiers are required on compound ingredients. The narrative portion in the prior authorization segment must be used to report these modifiers. The ViPS system must be modified to accept the value "MOD" in the narrative.

B.   Policy: CMS is committed to implementing the NCPDP per the HIPAA IG.

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. Durable Medical Equipment Regional Carriers (DMERCs) shall post this article to their website, and include it in a listserv message if applicable, 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.

II.   BUSINESS REQUIREMENTS

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

Requirement #	Requirements	Responsibility
3095.1 Chapter 24, Section 40.7.3A	ViPS shall modify their system according to the NCPDP standard to allow segments to be submitted in any order including AM07, AM03 and AM11.	ViPS
3095.2 Chapter 24, Section 40.7.3B	ViPS shall modify their system to allow the value "MOD" to be entered in positions 001-003 of the narrative portion of the prior authorization segment indicating that the supporting documentation that follows is Medicare modifier information.	ViPS
3095.3	The contractor shall do provider education as described in 1.C.	DMERCs

| 3095.4 | Contractors shall publish information regarding these new edits in your next regularly scheduled bulletin. | DMERCs |

III. 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. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: July 1, 2004 **Implementation Date:** July 6, 2004 **Pre-Implementation Contact(s):** Tom Latella (410) 786-1310, tlatella@cms.hhs.gov **Post-Implementation Contact(s):** Tom Latella (410) 786-1310, tlatella@cms.hhs.gov	**These instructions should be implemented within your current operating budget.**

Medicare Claims Processing Manual
Chapter 24 - EDI Support Requirements

Table of Contents
(Rev 84, 02-06-04)

40.7.3 – National Council for Prescription Drug Program (NCPDP) Implementation

(Rev 84, 02-06-04)

A.   NCPDP Implementation Guide (IG) Edits

DMERCs must allow segments to be submitted in any order including the AM07, AM03 and AM11 according to the NCPDP standard.

B.   NCPDP Narrative Portion of Prior Authorization Segment

DMERCs must allow the value "MOD" to be entered in positions 001-003 of the narrative portion of the prior authorization segment indicating that the supporting documentation that follows is Medicare modifier information.