Medlearn Matters
Information for Medicare Providers

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Related Change Request (CR) #: 3050

Related CR Release Date: February 6, 2004

Related CR Transmittal #: R86CP

Effective Date: July 1, 2004

Implementation Date: July 6, 2004

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Health Insurance Portability and Accountability Act (HIPAA) X12N 837 Professional Health Care Claim Implementation Guide (IG) Editing

Provider Types Affected

Physicians, practitioners, suppliers, and providers who bill Medicare carriers, including Durable Medical Equipment Carriers (DMERCs).

Provider Action Needed
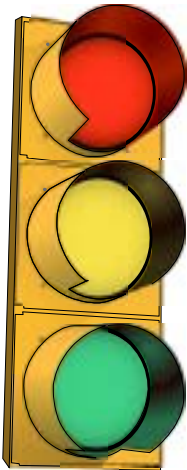
STOP – Impact to You
Affected providers should stop submitting electronic claims with diagnosis codes, zip codes, or telephone numbers that are not HIPAA compliant.

CAUTION – What You Need to Know
Providers should note that Medicare systems are strengthening their system edits to assure receipt of HIPAA compliant claims. Effective July 1, 2004, Medicare will reject electronic claims that have diagnosis codes, zip codes, or telephone numbers that are not HIPAA compliant.

GO – What You Need to Do
Be sure your billing systems are modified to generate electronic claims that will pass Medicare's HIPAA compliancy edits for diagnosis codes, zip codes, and telephone numbers.

Background

The Health Insurance Portability and Accountability Act (HIPAA) directed the Secretary of the Department of Health and Human Services (HHS) to adopt standards for transactions to enable health information to be exchanged electronically. In addition, one of the HIPAA provisions requires standard formats to be used for electronically submitted health care transactions.

CMS is committed to implementing the 837 COB transaction set per the HIPAA implementation guide (IG), and it recognizes that a change in its systems is needed to:

1) Comply with the 837 Professional IG; and

2) To allow the creation of compliant coordination of benefits (COB) claim files.

To accomplish this, Medicare systems will be changed to include edits that reject electronic claims that contain:

- Invalid diagnosis codes;

- A dash, a space, or special character in any zip code field; and

- A dash, space, special character, or a parenthesis in telephone numbers.

Implementation

July 6, 2004.

Related Instructions

The ANSI X12N 837 implementation guides are the standards of compliance for claim transactions and are available electronically at:

http://www.wpc-edi.com/hipaa/HIPAA_40.asp.

The *Medicare Claims Processing Manual, Chapter 24* has been updated to include the new *Section 40.7.2, Professional Implementation Guide (IG) Edits.* This new section is included below:

40.7.2 – X12N 837 Professional Implementation Guide (IG) Edits

The Part B Carriers and Durable Medical Equipment Regional Contractors (DMERCs) must reject inbound electronic claims that contain invalid diagnosis codes whether pointed to or not.

The Part B Carriers and Durable Medical Equipment Regional Contractors (DMERCs) must reject inbound electronic claims that contain a dash, space, or special character in any zip code.

The Part B Carriers and Durable Medical Equipment Regional Contractors (DMERCs) must reject inbound electronic claims that contain dashes, spaces, special characters or parentheses in any telephone number.