

# **EMPIRE MEDICARE SERVICES**

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News

## **Important Medicare Part A, Part B New Jersey & Part B New York News**

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**Medlearn Matters...Information for Medicare  
Providers  
(Issued by the Centers for Medicare & Medicaid Services)**

### **Medicare Announces End of HIPAA Contingency Plan for Claims Submissions**

#### **Provider Types Affected**

All Medicare physicians, providers, and suppliers who continue to submit electronic claims in noncompliant HIPAA formats

#### **Impact to You**

The Centers for Medicare & Medicaid Services (CMS) is ending its contingency plan that allowed providers to submit claims formats electronically that were not in the format required by the Health Insurance Portability and Accountability Act (HIPAA). As of October 1, 2005, all providers must use

the HIPAA compliant format for claims submitted to Medicare. **In June, 2005, over 99 percent of claims submitted to Medicare were in HIPAA compliant formats.**

### **What You Need to Know**

**Noncompliant claims submitted to Medicare on or after October 1, 2005, will be rejected and returned to the provider.**

### **What You Need to Do**

To assure that your claims are processed timely and that your cash flow is not interrupted, be sure to submit HIPAA compliant claims as of October 1, 2005.

### **Background**

The Health Insurance Portability and Accountability Act (HIPAA) regulation required claims be submitted electronically effective October 16, 2003, in a format adopted for national use. To allow additional time for entities to become compliant, CMS established a contingency plan to continue Medicare fee-for-service (FFS) payments beyond October 16, 2003 based on noncompliant formats.

In a measured step toward full compliance, CMS announced that effective July 1, 2004 noncompliant electronic claims would be paid after 27 days (the same as paper claims). Further information on the contingency plan may be found in Medlearn Matters articles MM2981 and SE0414 at

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/MM2981.pdf> and <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0414.pdf> respectively. These articles also provided important information to assist those few remaining providers who need to begin sending HIPAA compliant claims.

Through provider outreach activities, CMS has seen a steady decrease in the number of non-HIPAA compliant providers. In June 2005, fewer than four percent of Medicare FFS billing providers submitted electronic non-HIPAA compliant claims.

Considering the number of all active Medicare providers, it is clear that the Medicare provider community at large has done an outstanding job of adopting the HIPAA claims formats.

CMS believes that the industry has surpassed critical mass in both the total number of compliant claims and number of providers capable of sending compliant claims. Therefore, Medicare will end its HIPAA Contingency Plan for claims submission on October 1, 2005.

Claims that are not compliant as of October 1, 2005 will be returned to the provider for submission as a compliant claim. **But, prior to October 1, if you are not submitting HIPAA compliant claims your Medicare carrier, Durable Medical Equipment Regional Carrier (DMERC), or intermediary will contact you directly regarding the need to become compliant to offer further assistance.**

CMS expects to end the contingency plan for other transactions in the near future. The remittance advice (835) is our next target to end the full contingency. We will continue to monitor progress toward use of the HIPAA standards to guide in that decision.

### **Additional Information**

As previously mentioned, further information on the contingency plan and on help in becoming compliant may be found in Medlearn Matters articles MM2981 and SE0414 at <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/MM2981.pdf> and <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0414.pdf> respectively.

As Medlearn Matters article MM2981 indicates Medicare carriers and intermediaries can provide free/low-cost software that will enable submission of HIPAA compliant claims electronically. If you need such software, contact your carrier or intermediary at their special EDI telephone number. Your carrier/intermediary will also have a list of vendors who may assist you in submitting compliant claims.

For those billing Medicare Part A (including hospital outpatient services), a list of these carrier/intermediary numbers by state is available at: <http://www.cms.hhs.gov/providers/edi/anum.asp>.

For those billing Medicare Part B, you may find those numbers listed by state at: <http://www.cms.hhs.gov/providers/edi/bnum.asp>.

For additional information on HIPAA, visit the CMS Web site at: <http://www.cms.hhs.gov/hipaa/hipaa2/default.asp>.

To view the revised manual chapter for the claims receipt rules, see Chapter 1, Section 80.2.1.2, which can be found in Pub 100-04, the *Medicare Claims Processing Manual*. This can be found at: [http://www.cms.hhs.gov/manuals/104\\_claims/clm104index.asp](http://www.cms.hhs.gov/manuals/104_claims/clm104index.asp).

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For more information, visit the Medlearn Matters Web page at: <http://www.cms.hhs.gov/medlearn/matters/>.

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