

**TO: All Providers**  
**FROM: CareFirst of Maryland, Inc.**  
**DATE: March 28, 2002**  
**SUBJECT: Revised Timelines for Health Insurance Portability and Accountability Act (HIPAA) Requirements**

This bulletin provides information to providers on the CMS requirements and timelines for implementation of the Accredited Standards Committee (ASC) X12N 837 version 4010 inbound and COB, X12N 835 version 4010, and the X12N 276/277 version 4010. The dates provided in this instruction will replace those that have been issued in previous instructions. Contractors who have already begun their implementation activities are not to cease or delay their work, but are expected to continue to work expeditiously toward implementing these HIPAA transactions no later than the timeframes specified in this instruction. **Note, all instances where the date October 16, 2003 appears will infer that a request for a waiver has been submitted by the covered entity being referenced.** This instruction does not change the work processes provided in previous transmittals. Only the timeframes by which certain tasks were to be started or completed have changed. As a point of clarification for this instruction, “trading partners” also refers to providers or submitters for a given transaction, and is not only limited to the payers who are sent Coordination of Benefits (COB) transactions.

**\*\*Instructions for CareFirst of Maryland Inc. will be published in the near future.\*\***

**I. X12N 837 Inbound**

Contractors must complete their user acceptance testing of the inbound X12N 837 (4010) by April 1, 2002. Those contractors that have already begun their 837 (4010) trading partner beta testing should continue. Contractors must be ready to start open trading partner testing, with those trading partners that request that testing, by April 16, 2002. Trading partners that successfully complete testing can be implemented immediately into production. All requested trading partner testing must be completed by October 16, 2003, CMS will work with contractors and trading partners to complete testing as soon as possible to avoid last minute testing concerns. However, contractors must not require trading partners to submit HIPAA transactions in production prior to October 16, 2003.

**II. X12N 835**

Contractors must complete their user acceptance testing of the X12N 835 (4010) electronic remittance notice by May 1, 2002. Those contractors that have already begun their 835 (4010) trading partner beta testing should continue. Contractors must be ready to start open trading partner testing, with those trading partners that request that testing, by May 16, 2002. Trading partners that successfully complete testing can be implemented immediately into production. All requested trading partner testing must be completed by October 16, 2003, CMS will work with contractors and trading partners to complete testing as soon as possible to avoid last minute testing concerns. However, contractors must not require trading partners to receive HIPAA transactions in production prior to October 16, 2003.

### **III. X12N 837 COB**

Contractors must complete their user acceptance testing of the outbound X12N 837 (4010) by June 3, 2002. Those contractors who have already begun their 837 COB (4010) trading partner beta testing should continue. Contractors must be ready to start open COB trading partner testing, with those trading partners who request that testing, by June 17, 2002. Trading partners that successfully complete testing can be implemented immediately into production. All requested COB trading partner testing must be completed by October 16, 2003, CMS will work with contractors and trading partners to complete testing as soon as possible to avoid last minute testing concerns. However, contractors must not require trading partners to receive HIPAA transactions in production prior to October 16, 2003.

### **IV. X12N 276/277**

Transmittal AB-01-106, dated August 1, 2001, required contractors to implement the 276/277 (4010) claims status transaction. Contractors must complete their user acceptance testing of the 276/277 (4010) claims status transaction by July 1, 2002. Although not required in the transmittal, open trading partner testing on the 276/277 (4010) transaction must be conducted if requested by a trading partner. Due to variations in the release schedule for each standard system maintainer, contractors will have varied production dates. Refer to the attachment for a breakdown of the production dates for each standard system.

### **V. X12N 270/271**

Instructions for the intermediary and carrier implementation of the 270/271 (4010) have not been issued. Contractors should await the release of these instructions, which will provide the dates for this transaction.

### **VI. Claredi Certification**

Transmittal AB-01-169, dated November 28, 2001, required all contractors to perform transaction testing and certification with Claredi. Contractors are to successfully complete their Claredi testing and be certified prior to full-scale open trading partner testing. However, you may perform production-trading partner testing with no more than 10 select trading partners at the same time you are Claredi testing. Contractors should attempt to use the same 10 select trading partners for testing through the complete cycle of the 837 and 835 transactions. Trading partners that successfully complete testing, prior to the completion of Claredi certification, can be implemented immediately into production. This instruction contains an attachment that will provide all of the required Claredi certification dates for each HIPAA transaction. Contractors should await the final 270/271 (4010) instructions for further guidance on Claredi testing and certification of that transaction.

### **VII. Free Billing Software**

Transmittals A-00-89, dated November 28, 2000, and B-00-89, dated September 28, 2000, instructed contractors to create HIPAA compliant Medicare free billing software for providers who wish to use such a program to comply with HIPAA. Contractors or their vendors should have that software ready for testing no later than October 1, 2002. Provider beta testing of the free billing software should be completed by November 1, 2002. The Medicare free billing software should be available for distribution to providers/submitters by December 3, 2002. Please note, the information currently stated in transmittal AB-01-29, dated February 8, 2001, in which CMS clarifies its intent to eliminate the free billing software effective FY2004 has not changed

### **VIII. New EDI Submitters**

CMS expects that contractors will strongly encourage new EDI submitters to begin with HIPAA formats, rather than test and submit production transactions in pre-HIPAA formats. If circumstances are such that a new submitter is unable to begin with HIPAA formats, contractors may accept the pre-HIPAA formats. However, contractors will not enroll any new EDI submitters on pre-HIPAA formats after October 1, 2002. Applications from new submitters involving pre-HIPAA formats that were in the contractor's pipeline prior to October 1, 2002 may be processed after October 1, 2002.

Contractors may continue to accept applications from established pre-HIPAA format submitters or established software vendors adding new clients in a pre-HIPAA format until further notice. Applications for the Medicare free billing software received after October 1, 2002 should be held until the HIPAA version of the free billing software is ready for distribution.

For clarification purposes, a new Electronic Data Interchange (EDI) submitter is defined as a provider, billing service, or clearinghouse that has not previously submitted production transactions to Medicare electronically in a pre-HIPAA format, or is using a vendor software product that is not currently being used to electronically submit pre-HIPAA production transactions to Medicare. An established submitter is defined as a provider, billing service, or clearinghouse that is currently submitting production transactions to Medicare electronically in a pre-HIPAA format. An established software vendor is one that currently supports production clients in a pre-HIPAA format.

**The effective date for this bulletin is February 8, 2002.**

**The implementation date for this bulletin is specified in each section.**

**(Source: Program Memorandum AB-02-020; Change Request 2039)**

**THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITIONERS AND MANAGERIAL MEMBERS OF THE PROVIDER/SUPPLIER STAFF. ALL BULLETINS ISSUED AFTER OCTOBER 1, 1999 ARE AVAILABLE AT NO COST FROM OUR WEB SITE AT [www.marylandmedicare.com](http://www.marylandmedicare.com).**

**Questions regarding this bulletin should be directed to the provider relations department at (866) 488-0545.**