

## Medicare Contingency Plan;

On September 23, 2003 the Centers for Medicare & Medicaid Services (CMS) announced that they would invoke a temporary contingency plan (see announcement: <http://www.askhipaa@cms.hhs.gov/media/press/release.asp?Counter=870>). HIPAA requires electronic transactions be in the 4010A1 format by October 16, 2003.

After a careful analysis of Medicare provider, submitter, and other trading partner HIPAA readiness, Medicare will continue to accept and send standard and non-standard versions and/or formats for any electronic transaction for a limited time period beyond October 16, 2003.

This is a temporary measure to maintain provider cash flow and minimize operational disruption while trading partners who are not compliant on October 16, 2003, work with Medicare to achieve full compliance.

This contingency plan is only for a limited time. Providers who must continue to bill and receive non-compliant formats, should test and move into production on the HIPAA required formats as soon as possible, or risk possible cash flow problems.

Deployment of the contingency does not change the compliance date; the compliance date remains October 16, 2003. Deployment of the contingency could affect providers in terms of enforcement. CMS has stated, enforcement will be a complaint driven process. If CMS receives a complaint, CMS will evaluate the entity's good faith efforts to comply and give the entity an opportunity to demonstrate compliance, document its good faith efforts to comply and/or submit a corrective action plan. See CMS's guidance document: <http://www.cms.hhs.gov/hipaa/hipaa2/guidance-final.pdf>.

CMS had indicated it will not impose penalties on covered entities that deploy contingencies to ensure the smooth flow of payments, if the entity has made good faith efforts to become compliant.

PLEASE NOTE: This is not an extension! Any Covered Entity who will send non-compliant transactions after October 16, 2003 should:

- \* Keep a contingency plan that describes their process for reaching compliance
- \* Create documentation that demonstrates their current progress towards completion
- \* Bear in mind that penalties resulting from the complaint process may still be incurred by non-compliant covered entities who are NOT making a good-faith effort to reach compliance

For more HIPAA information, please visit our HIPAA resource page at:  
[http://www.wpsic.com/medicare/provider/hipaa\\_medicare.shtml](http://www.wpsic.com/medicare/provider/hipaa_medicare.shtml)

Or the CMS HIPAA resource center at:

<http://www.cms.hhs.gov/hipaa/hipaa2>

<http://www.askhipaa@cms.hhs.gov>