

Health Care Eligibility/Benefit Inquiry and Response

- The Centers for Medicare & Medicaid Services (CMS) has been working with its Medicare Fee-for-Service (FFS) Claims Processing Contractors to determine how to handle high volumes of X12 270/271 Health Insurance Portability and Accountability Act (HIPAA) transactions. The initial Medicare implementation of the HIPAA version of the 270/271 transactions will provide beneficiary eligibility information on a real time basis.
- Provisions in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), present many new challenges for Medicare to provide improved access to information and better overall quality service.
- The CMS is making changes to its Information Technology (IT) infrastructure to address these needs. This new enterprise approach creates the necessary database and infrastructure to meet eligibility query capability for all customers and communications channels. These changes will not only satisfy the current demand for a fully functioning HIPAA compliant 270/271 eligibility transaction for FFS providers/submitters, but also over time will support a national provider telephone interactive voice response (IVR) as well as Internet eligibility queries.
 - The new approach will be phased in starting May 2005. The CMS plans to begin testing with a limited number of vendors in early 2005.
 - Under the HIPAA Contingency Plan announced September 23, 2003, Medicare will continue to provide eligibility information via current methods.

HIPAA 270/271 Q's and A's

Q1: When will the new infrastructure be available?

A1: It is expected to be available for use in May 2005. Initially the infrastructure will support HIPAA compliant 270/271 eligibility transactions in May 2005. Over time, CMS will make the infrastructure available for IVR and Internet eligibility inquiries.

Q2: Wasn't a HIPAA compliant 270/271 required in October 2003?

A2: Covered Entities (CE) were generally required to comply with HIPAA Transaction Standards, including 270/271, by October 16, 2003. The CEs have been permitted to adopt contingency plans, however, while they work toward full compliance with the Transaction Standards. The CMS' initial programming and system testing at multiple contractors revealed that the high volume of anticipated 270/271 transactions could create difficulties in handling these new queries and completing claims processing cycles. It was determined that a different architecture was necessary to process 270/271 for Medicare FFS customers. The updates to the system architecture will also serve to enable implementation of certain data requirements in the recently enacted Medicare prescriptions drug legislation. Until the new system is ready, CMS will continue to operate under its HIPAA Contingency Plan with respect to the 270/271 transaction.

Q3: Does CMS have plans to allow usage of the Internet for 270/271 transactions?

A3: Yes, we anticipate that we will allow usage of the Internet for 270/271 transactions; however; we will first concentrate on establishing a functional transaction via the Medicare Data Communication Network (MDCN).

Q4: How can providers/submitters get eligibility information until this infrastructure is available?

A4: Medicare will continue to provide eligibility information via legacy systems under its HIPAA Contingency Plan announced September 23, 2003. Providers/Submitters can continue to use current electronic queries, telephone IVR, and other methods currently offered by their local Medicare Carriers and Fiscal Intermediaries (FI) to obtain eligibility information. Medicare will continue to maintain these sources of eligibility data. Medicare contractors have also been notified that they should continue to give new providers and submitters access to eligibility data via these legacy systems and methods until notified that the 270/271 is approved for use.

Q5: How can providers/submitters obtain additional information concerning use of the 270/271 and eventual Internet access?

A5: Although the new infrastructure that will support the 270/271 for Medicare will use a central national Medicare eligibility database, and processing of these queries will bypass the current carriers, durable medical equipment regional carriers (DMERC), and FIs, Medicare plans to continue to use the provider newsletters and Web sites of the carriers, DMERCs and FIs to share information on availability, enrollment, Internet use, and other pertinent information about the 270/271.

Q6: Medicare has always supported batch transactions in the past. Will Medicare accept batch 270 queries as well as real-time queries?

A 6: The CMS plans to begin to accept batch 270 transactions in a later phase of implementation and will share information about that as soon as it is available.

Q7: Will Medicare furnish free software for use of the 270/271 by small providers?

A7: Medicare's Internet implementation of the 270/271 will include an interactive screen that can be used by providers to individually enter eligibility queries and receive real-time responses. Providers will not need to load 270/271 software on their Personal Computers (PCs) to submit 270 transactions or receive easy to read responses.

Q8: I already have 270/271 software as part of a suite of HIPAA software I purchased. Will I be able to use that software to automatically generate my 270s and submit them via the Internet?

A8: Yes. When available, our Internet system will be able to accept single, already formatted 270 compliant transactions in addition to those submitted via our eligibility screen.

Q9: Will clearinghouses be required to use the CMS' AT&T Global Network Service (AGNS)/MDCN intranet to submit 270 queries or will they also be allowed to use the Internet to submit and receive these queries?

A9: In May 2005, a small group of clearinghouses will initially be allowed to access the new system via the AGNS/MDCN network to assist us to validate performance. Upon satisfactory performance, other clearinghouses and providers that have accounts with AT&T resellers that would allow them to access the CMS' AGNS/MDCN communication network will also be

permitted to submit 270s via that intranet. Once Internet access is available, users of the intranet will have the option to continue to use that access path, or to transfer to use of the Internet.

Q10: This is the first time CMS has supported Internet use for a HIPAA transaction. Will CMS begin to offer Internet access for other HIPAA transactions also?

A10: The CMS does plan to allow greater use of the Internet for multiple purposes. In addition to this 270/271 effort, several pilots are in place using the Internet to obtain claim status and other information. These pilots will assist us in expanding Internet services nationally.