CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1402	Date: DECEMBER 21, 2007
	Change Request 5755

Subject: VMS Modification Analysis to Implement the Common Electronic Data Interchange (CEDI) System

I. SUMMARY OF CHANGES: This change request prescribes the requirements for ViPs to work with the CEDI contractor to develop the VMS system changes necessary to prepare for the implementation of the DME MAC CEDI front end.

New / Revised Material
Effective Date: April 1, 2008
Implementation Date: April 7, 2008

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers: N/A

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

*Unless otherwise specified, the effective date is the date of service.

Attachment – One-Time Notification

| Pub. 100-04 | Transmittal: 1402 | Date: December 21, 2007 | Change Request: 5755 |

SUBJECT: VMS Modification Analysis to Implement the Common Electronic Data Interchange (CEDI) System

Effective Date: April 1, 2008
Implementation Date: April 7, 2008

I.   GENERAL INFORMATION

CR 3824, Transmittal 152 and CR 4155, Transmittal 189, requested a system analysis from ViPS, the Durable Medical Equipment Medicare Administrative Contractor (DME MAC) shared system maintainer, regarding the system changes that would be required in order to remove or disable certain functionality of the electronic data interchange (EDI) front end system in preparation for the implementation of the Common Electronic Data Interchange (CEDI) System, a common EDI front end at the DME MACs. This change request prescribes the requirements for ViPs to work with the CEDI contractor to develop the system changes necessary to prepare for the implementation of the DME MAC CEDI front end. This instruction does not affect fiscal intermediaries, carriers, RHHIs, MCS, and FISS.

A.   Background: Currently, front end EDI processing for DME claims occurs in four separate systems. Two of these systems are operated by DME MACs and two are operated by data center services contractors under direct contract with the CMS. The front-end EDI systems perform edits on incoming Medicare DME claims and forwards the output data from transactions that pass edits to the core of the VMS shared system claims processing environment. Each of the four systems used for DME front end transaction processing has been developed as a proprietary system to meet its developer's own business objectives. Logic specific to Medicare requirements was added to accommodate the Medicare claims transactions.

Since each system is owned and developed by separate entities, variations exist in the way in which individual front end systems process claims and in the results they produce. This creates confusion with suppliers and beneficiaries. It can also lead to the rejection of eligible claims as well as the payment of ineligible claims depending upon which front end system processed the transaction.

The business requirements associated with this change request will be effective on April 7, 2008.

B.   Policy: N/A

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	FISS	MCS	VMS	CWF	OTHER
							Shared-System Maintainers				
5755.1	VMS shall identify all front end systems/processes that are eligible for permanent deletion.								X		
5755.2	VMS shall continue to edit and route all misdirected transactions.								X		
5755.3	VMS shall continue to produce and send separate flat files for each of the outbound transmissions (277 and 835).								X		
5755.4	VMS shall work with the CEDI contractor and the DME MACs in order to develop a testing process/coordination effort that will ensure proper implementation/transition of all changes for production release.	X							X		CEDI
5755.5	VMS will work with the CEDI contractor on the validation of the edits.								X		CEDI
5755.6	VMS will work with the CEDI to develop an automated process to update the biller control file and provider file based upon EDI agreements.								X		CEDI

III. PROVIDER EDUCATION TABLE

Number	Requirement	A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	FISS	MCS	VMS	CWF	OTHER
							Shared-System Maintainers				
5755.7	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. The DME MACs in Jurisdictions A, B, C and D shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider		X								

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	FISS	MCS	VMS	CWF	OTHER
	education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.										

IV.   SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

B. Contractor Financial Reporting /Workload Impact: N/A

V. CONTACTS

Pre-Implementation Contact(s):
James Ralls 410-786-9504 James.ralls@cms.hhs.gov

Post-Implementation Contact(s):
James Ralls 410-786-9504 James.ralls@cms.hhs.gov

VI. FUNDING

A. For *Fiscal Intermediaries and Carriers:* N/A

B. For Medicare Administrative Contractors (MAC):

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.