CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 586

SUBJECT: Modifications to the National Coordination of Benefits Agreement (COBA) File Transfer and Financial Reporting Processes

I. SUMMARY OF CHANGES: Through this change request, the Medicare contractor systems shall be required to append an additional 1-byte character to the unique Beginning of Hierarchical Transaction (BHT) 03 identifier submitted on processed claims that are transferred to the COBC for crossover. The additional character will signify whether a COBA trading partner is in test or production status with the COBC. The modified BHT03 identifier shall be reported to each contractor's financial management staff to ensure that only production COBA crossover will be counted. In addition, contractors and their shared systems shall receive COBC Detailed Error Reports from the COBC that indicate "test" versus "production" status for purposes of fulfilling Transmittal 474. Through this instruction, the manual sections noted below are being modified to appropriately reflect additional Medicare contractor and contractor systems requirements.

NEW/REVISED MATERIAL :
EFFECTIVE DATE : October 01, 2005
IMPLEMENTATION DATE : October 03, 2005

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 – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	28/70.6/Consolidation of the Claims Crossover Process
R	28/70.6.1/Coordination of Benefits Agreement(COBA)Detailed Error Notification Process

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 586	Date: June 17, 2005	Change Request 3906

SUBJECT: Modifications to the National Coordination of Benefits Agreement (COBA) File Transfer and Financial Reporting Processes

I.   GENERAL INFORMATION

A.   Background: Through requirement number 9 of Transmittal 138 (Change Request (CR) 3218), Medicare contractors received basic guidance regarding how they should account for the claims that they send, via their Data Centers, to the Coordination of Benefits Contractor (COBC) for crossover under the COBA process. That requirement stipulated that, for financial reporting purposes, contractors shall maintain separate counts of those claims that were sent to the COBC for crossover versus those claims that would be crossed over to their current trading partners. Some contractors have been operating under the incorrect assumption that they should be maintaining a separate count of claims transferred to the COBC even when a COBA trading partner is in test mode. Through this instruction, the Centers for Medicare & Medicaid Services (CMS) is providing each contractor's financial management staff with a mechanism for determining if a COBA trading partner is in test or production mode with the COBC.

Through Transmittals 130 (CR 3614) and 448 (CR 3709), contractor systems were required to populate a unique 21-digit identifier in the BHT03 (Beginning of Hierarchical Transaction Reference Identification) portion of their 837 flat file submissions and in field 504-F4 (Message) of their National Council for Prescription Drug Programs (NCPDP) file transmissions to the COBC. Contractors and their shared systems were also apprised through these instructions that they would be receiving Detailed Error Reports from the COBC and would only be required to notify providers or suppliers about claims that were not crossed over via the COBA process if a COBA trading partner was in production mode (Test/Production Indicator from the Common Working File [CWF] Beneficiary Other Insurance (BOI) reply trailer 29=P). Through this instruction, the BHT03 identifier shall be used to differentiate the test (T) or production (P) status of the COBA ID.

B.   Policy: Contractor Data Centers shall populate the BHT03 identifier included within their 837 flat file and NCPDP file submissions to the COBC either with a "T" (test) or "P" (production) Test/Production Indicator. As communicated via Transmittal 158 (CR 3273), contractors and their associated systems shall determine whether a COBA trading partner is in test or production mode by referencing the BOI reply trailer (29) originally received from the Common Working File (CWF) for the processed claim. Contractor systems shall report the BHT03 identifier associated with a particular flat file submission to each contractor's financial management staff. The contractor financial management staff shall only maintain counts of claims transferred to the COBC for those COBA trading partners that are in production mode with the COBC, as confirmed by the BHT03 identifier.

Contractors and their associated systems shall receive BHT03 identifiers via the COBC Detailed Error Reports that indicate whether a COBA trading partner is in test versus production mode with the COBC. The BHT03 test or production indicator will exactly mirror the BHT03 test or production indicator populated on the 837 flat file or NCPDP file that was transmitted by the contractor's Data Center to the COBC.

II.   BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3906.1	When transferring processed claims to the COBC as part of the COBA process, the contractor shared systems shall include an additional 1-digit alpha character ("T"=test mode; "P"=production mode) as part of the BHT03 identifier (Beginning of Hierarchical Transaction Reference Identification).					X	X	X		
3906.1.1	The contractor shared systems shall determine that a COBA trading partner is in test or production mode by referring to the BOI reply trailer (29) originally received from the Common Working File (CWF) for the processed claim.					X	X	X		
3906.1.2	The BHT03 identifier, which will now be 22 digits, shall be formatted as follows: **Contractor number** (9-bytes; until the 9-digit contractor number is used, report the 5-digit contractor number, left justified, with spaces for the remaining 4 positions.) **Julian date as YYDDD** (5-bytes) **Sequence number** (5-bytes; this number begins with "00001," so the sequence number should increment for each ST-SE envelope, which is specific to a trading partner, on a given julian date.) **Data Center ID** (2-bytes; a 2-digit numeric value assigned by CMS. **NOTE:** The complete listing of Data Center IDs assigned by CMS may be referenced in Attachment A of Transmittal 474 (CR 3709).) **COBA Test/Production Indicator** (1-byte					X	X	X		

Requirement Number	Requirements	FI	RHHI	Carrier	DMERC	FISS	MCS	VMS	CWF	Other
						Shared System Maintainers				**Other**
	alpha indicator; acceptable values=”T” [test]; “P” [production].									
3906.1.3	The contractor shared systems shall now submit separate 837 flat files or NCPDP files to the COBC—one file that contains the BHT03 “test” identifier and another file that contains the BHT03 “production” identifier. At this time, the file dataset names established as part of Transmittals 138 and 158 that each contractor Data Center uses for submission of claims to the COBC shall remain unchanged.					X	X	X		
3906.2	Contractors and their shared systems shall report the number of claims submitted to the COBC via the 837 flat files or NCPDP files to their associated contractors’ financial management staff only for those BHT03 indicators that include a “P” in the final position (22nd digit).	X	X	X	X	X	X	X		
3906.2.1	Reports generated by each contractor’s shared systems to each contractor’s financial management staff shall include like data that are submitted following receipt of the COBC Detailed Error Reports to fulfill requirement number 6 of Transmittal 474 (CR 3709). (**NOTE:** The Detailed Error Reports shall contain the same BHT03 identifier for purposes of reporting to financial management staff as was included by the contractor shared systems on the 837 flat file and NCPDP claim file submissions sent to the COBC.)					X	X	X		
3906.2.2	Minimum information for each BHT03 shall include claim counts sorted by COBA ID and shall be organized into groupings that allow for separate totals by Medicaid (COBA ID range=70000-77999), Medigap (COBA ID	X	X	X	X	X	X	X		

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	range=30000-54999) Supplemental (COBA ID ranges= 00001-29999 and 60000-69999), and Other (COBA ID range=80000-89999), as well as grand totals for all less Medicaid.									
3906.3	Contractors and their shared systems shall receive COBC Detailed Error Reports that contain BHT03 identifiers that indicate "test" versus "production" status for purposes of fulfilling the requirements of Transmittal 474 (CR 3709). The COBC Detailed Error Report file layouts for institutional, professional, and NCPDP claims have been modified accordingly (see Attachment A).	X	X	X	X	X	X	X		

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3906.4	None.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C.   Interfaces: N/A

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

E.   Dependencies: N/A

F.   Testing Considerations:

V.   SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: **October 01, 2005** **Implementation Date: October 03, 2005** **Pre-Implementation Contact(s):** Brian Pabst (410-786-2487) **Post-Implementation Contact(s):** Brian Pabst (410-786-2487)	**No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.**

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

Attachment A

ATTACHMENT A

The Institutional Error File Layout will be used for Part A claim files.

COBC Institutional Error File Layout				
Field	*Name*	*Size*	*Displacement*	*Description*
1.	Date	8	1-8	Date Received (CCYYMMDD)
2.	Control Number	9	9-17	Transaction Set Control Number (Record 100, Field 26, ST02)
3.	COBA-ID	10	18-27	Receiver ETIN (Record 100, Field 55, NM109)
4.	Subscriber ID/HICN	12	28-39	Other Subscriber HICN (Record 590, Field 9, NM109)
5.	Claim DCN/ICN	14	40-53	Other Subscriber Secondary ID (Record 590, Field 17, REF02)
6.	Record Number	9	54-62	Record Sequence number in dataset sent. **(NOTE:** Will only be returned for claims with "111" error source codes.)
7.	Record/Loop Identifier	6	63-68	Either Record Identifier (e.g., 100, 200, 300) or Loop Identifier (e.g., 1000A, 2010AA, 2300).
8.	Segment	3	69-71	Segment Name
9.	Element	2	72-73	Element Name
10.	Error Source Code	3	74-76	Numeric value to identify source of error (e.g., flat file, HIPAA ANSI level, or trading partner dispute). The possible Error Source Codes for HIPAA Institutional claims are: 111= flat file error; 222=HIPAA ANSI file error; 333=trading partner dispute.
11.	Error /Trading Partner Dispute Code	6	77-82	Alpha-numeric Error /Trading Partner Dispute Code
12.	Error Description	100	83-182	Detailed Reason for Rejection

COBC Institutional Error File Layout

Field	Name	Size	Displacement	Description
13.	Field Contents	50	183-232	Field Contents for Element in Error
14.	BHT 03 Identifier	22	233-254	An identifier that contains contractor number, julian date, sequence number, Data Center ID, and COBA test/production indicator.
15.	Filler	50	255-304	For future use/expansion.

The Professional Error File Layout will be used for Part B and DMERC claim files.

	COBC Professional Error File Layout			
Field	*Name*	*Size*	*Displacement*	*Description*
1.	Date	8	1-8	Date Received (CCYYMMDD)
2.	Control Number	9	9-17	Transaction Set Control Number ST Segment, ST02 element
3.	COBA-ID	10	18-27	Receiver ETIN; 1000B Loop, NM1 segment, NM109 element
4.	Subscriber ID/HICN	12	28-39	Other Subscriber HICN; 2010BA Loop, NM1 segment, NM109 element
5.	Claim DCN/ICN	14	40-53	Other Subscriber Secondary ID; 2330B Loop, REF segment, REF02 element with REF01 = F8–
6.	Record Sequence Number	9	54-62	Record Sequence number in dataset sent. (**NOTE:** Will only be returned for claims with "111" error source codes.)
7.	Loop Identifier	6	63-68	Loop Identifier (e.g., 1000A, 2010AA, 2300
8.	Segment	3	69-71	Segment Name
9.	Element	2	72-73	Element Name
10.	Error Source Code	3	74-76	Numeric value to identify source of error (e.g., flat file, HIPAA ANSI level, or trading partner dispute). The possible Error Source Codes for HIPAA Professional claims are: 111= flat file error; 222=HIPAA ANSI file error; 333=trading partner dispute.
11.	Error /Trading Partner Dispute Code	6	77-82	Alpha-numeric Error /Trading Partner Dispute Code
12.	Error Description	100	83-182	Detailed reason for rejection
13.	Field Contents	50	183-232	Field contents for element in

COBC Professional Error File Layout				
Field	*Name*	*Size*	*Displacement*	*Description*
				error
14.	BHT 03 Identifier	*22*	*233-254*	An identifier that contains contractor number, julian date, sequence number, Data Center ID, *and COBA test/production indicator.*
15.	Filler	*50*	*255-304*	For future use/expansion

The NCPDP Error File Layout will be used for by DMERCs for Prescription Drug Claims.

COBC NCPDP Error Report Layout				
Field	*Name*	*Size*	*Displacement*	*Description*
1.	Date	8	1-8	Date Received (CCYYMMDD)
2.	Batch Number	7	9-15	Batch number from the Header Record
3.	COBA ID	5	16-20	5-digit COBA ID
4.	HICN	12	26-37	HICN (first 12 positions of the Patient ID field) in the G1/01 Record
5.	CCN	14	38-51	CCN from G1/00 record
6.	Record Sequence Number	9	52-60	Record Sequence Number in dataset sent. (**NOTE:** Will only be returned for claims with "111" error source codes.)
7.	Batch Record Type	2	61-62	Batch Record Type from Header Record
8.	Segment ID	2	63-64	Segment ID from Header Record
9.	Error Source Code	3	65-67	Numeric value to identify source of error (e.g., flat file or trading partner dispute). The possible Error Source Codes for NCPDP claims are: 111= flat file error; 333=trading partner dispute.
10.	Error/ Trading Partner Dispute Code	6	68-73	Alpha-numeric Error/Trading Partner Dispute Code. (**NOTE:** Will not include Claredi-Faciledi HIPAA ANSI error codes.)
11.	Error Description	35	74-108	Detailed reason for rejection
12.	Field Contents	50	109-158	Field contents for element in error
13.	Unique File Identifier	*22*	*159-180*	*Equivalent of BHT03 identifier in HIPAA 837 layouts.* Included in field 504-F4 (Message) of the NCPDP claim (field length=35).

COBC NCPDP Error Report Layout				
Field	*Name*	*Size*	*Displacement*	*Description*
14.	Filler	*50*	*181-230*	For future use/expansion

70.6 - Consolidation of the Claims Crossover Process

(Rev.586, Issued: 06-17-05, Effective: 10-01-05, Implementation: 10-03-05)

The CMS has decided to streamline the claims crossover process to better serve our customers. Beginning with July 6, 2004, approximately ten COBA trading partners will participate in the beta-site testing of the consolidated claims crossover or Coordination of Benefits Agreement (COBA) process. During this time, the COBA beta-site testers will participate in a parallel production crossover process (a pilot for only COBA trading partners using production/live data). During the parallel production period, the ten COBA trading partners will receive consolidated crossover claims as part of the COBA process. In addition, if the ten COBA trading partners have individual Trading Partner Agreements (TPAs) executed with Medicare contractors, they will receive crossover claims based on the terms and conditions of those TPAs. The Coordination of Benefits Contractor (COBC) will not charge the COBA beta-testers for crossed over claims during the parallel production period. *Medicare contractors* will, however, continue to charge these partners for claims that they continue to cross over to them during the beta-testing period.

Under the consolidated claims crossover process, trading partners will be transitioned from the current TPA process with *Medicare contractors* to new agreements called Coordination of Benefits Agreements (COBAs). These agreements, which will be negotiated on behalf of CMS by the COBC, will be entered into directly between CMS and the COBA trading partners. Through the COBA process, each COBA trading partner will send one national eligibility file that includes eligibility information for each Medicare beneficiary that it insures to the COBC. The COBC will transmit the beneficiary eligibility file(s) to the Common Working File (CWF) via a maintenance transaction. The transaction is known as the Beneficiary Other Insurance (BOI) auxiliary file. (See Chapter 27, §80.14, of Publication 100-4, Medicare Claims Processing Manual, for more details about the contents of the BOI auxiliary file.)

The CWF is being modified so that it will apply each COBA trading partner's claims selection criteria against processed claims with service dates that fall between the effective and termination date of one or more BOI records.

Effective with the January 2005 release, the carrier and DMERC shared systems will be required to include an indicator "L" (beneficiary is liable for the denied service[s]) or "N" (beneficiary is not liable for the denied service[s]) in an available field on the HUBC and HUDC queries to CWF for claims on which all line items are denied. The liability indicators (L or N) will be at the header or claim level rather at the line level.

For purposes of applying the liability indicator L or N at the header/claim level and, in turn, including such indicators in the HUBC or HUDC query to CWF, the carrier and DMERC shared systems shall follow these business rules:

- The L or N indicators are not applied at the header/claim level if any service on the claim is payable by Medicare;

- The "L" indicator is applied at the header/claim level if the beneficiary is liable for any of the denied services on a fully denied claim; and

- The "N" indicator is applied at the header/claim level if the beneficiary is not liable for all of the denied services on a fully denied claim.

Currently, the DMERC *contractor* shared system is able to identify, through the use of an internal indicator, whether a submitted claim is in the National Council for Prescription Drug Programs (NCPDP) format. Effective with January 2005, the DMERC *contractor* shared system shall pass an indicator "P" to CWF in an available field on the HUDC query when the claim is in the NCPDP format. The indicator "P" should be included in a field on the HUDC that is separate from the fields used to indicate whether a beneficiary is liable for all services that are completely denied on his/her claim.

CWF shall read the new indicators passed via the HUBC or HUDC queries for purposes of excluding 100% denied claims with or without beneficiary liability and NCPDP claims. After applying the claims selection options, CWF will return a BOI reply trailer (29) to the Medicare contractor only in those instances when the COBA trading partner expects to receive a Medicare processed claim from the COBC. Upon receipt of a BOI reply trailer (29) that contains (a) COBA ID (s) and other crossover information required on the HIPAA 835 Electronic Remittance Advice (ERA), *Medicare contractors* will send processed claims via an 837 COB flat file or National Council for Prescription Drug Programs (NCPDP) file to the COBC. The COBC, in turn, will cross the claims to the COBA trading partner. The CWF is also being modified in preparation for future receipt of claim-based Medigap and/ or Medicaid COBA IDs in field 36 of the HUBC or HUDC query. For claim-based crossover, CWF will also be equipped to search the Coordination of Benefits Agreement Insurance File (COIF) to locate a matching COBA IDs; apply the Medigap claim-based trading partner's claims selection criteria; and return a Claim-based reply trailer 37 to the carrier or DMERC if a claim-based COBA ID has been located and the claim is to be sent to the COBC to be crossed over.

In addition, CMS shall arrange for the invoicing of COBA trading partners for crossover fees.

The effort to consolidate the claims crossover function will be implemented via a phased-in approach, beginning with a small-scale implementation on July 6, 2004, involving approximately ten COBA trading partners that will serve as beta-site testers.

CMS will not move trading partners into crossover production with the COBC any earlier than December 2004. Consequently, the COBA parallel production period will be extended until CMS, the Coordination of Benefits Contractor (COBC), and the participating beta-testing trading partners conclude the testing results demonstrate a high-level of confidence.

Contractors shall operate under the assumption that all of their existing eligibility file-based crossover trading partners will at least be in test mode with the COBC by the end of fiscal year 2005 (i.e., by September 30, 2005).

A. CWF Processing of the COBA Insurance File (COIF) and Returning of BOI Reply Trailers

Effective July 6, 2004, the COBC will begin to send initial copies of the COBA Insurance File (COIF) to the nine CWF host sites. The COIF will contain specific information that will identify the COBA trading partner, including name, COBA ID, address, and tax identification number (TIN).   It will also contain each trading partner's claims selection criteria along with an indicator (Y=Yes or N=No) of whether the trading partner wishes its name to be printed on the Medicare Summary Notice (MSN). Effective with the October 2004 systems release, the COIF will also contain a 1-digit Test/Production Indicator that will identify whether a COBA trading partner is in test (T) or production (P) mode. *The* CWF will be required to return that information as part of the BOI reply trailer (29) to Medicare *contractors.*

Upon receipt of a claim, CWF shall take the following actions:

1. Search for a COBA eligibility record on the BOI auxiliary record for each beneficiary and obtain the associated COBA ID(s) [**NOTE:** There may be multiple COBA IDs associated with each beneficiary.];

2. Refer to the COIF associated with each COBA ID (**NOTE:** *The* CWF shall pull the COBA ID from the BOI auxiliary record) to obtain the COBA trading partner's name and claims selection criteria;

3. Apply the COBA trading partner's selection criteria; and

4. Transmit a BOI reply trailer to the Medicare Medicare contractor only if the claim is to be sent, via 837 COB flat file or NCPDP file, to the COBC to be crossed over.

B.   BOI Reply Trailer and Claim-based Reply Trailer Processes

BOI Reply Trailer Process

For eligibility file-based crossover, *Medicare contractors* shall send processed claims information to the COBC for crossover to a COBA trading partner in response to the receipt of a CWF BOI reply trailer (29). *Medicare contractors* will only receive a BOI reply trailer (29) under the consolidated crossover process for claims that CWF has selected for crossover after reading each COBA trading partner's claims selection criteria as reported on the weekly COIF submission.

When a BOI reply trailer (29) is received, the COBA assigned ID will identify the type of crossover (see the Data Elements Required for the BOI Aux File Record Table in chapter 27, §24). Although each COBA ID will consist of a 5-digit prefix that will be all zeroes, *Medicare contractors* are only responsible for picking up the last 5 digits within these ranges, which will be right justified in the COBA number field. In addition to the trading partner's COBA ID, the BOI reply trailer shall also include the COBA trading partner name (s), an "A" crossover indicator that specifies that the claim has been selected to be crossed over, and a one-digit indicator ["Y"=Yes; "N"=No] that specifies whether the COBA trading partner's name should be printed on the beneficiary MSN. As

discussed above, effective with the October 2004 systems release, CWF shall also include a 1-digit Test/Production Indicator on the BOI reply trailer (29) that is returned to the *Medicare contractor.*

Larger-Scale Implementation of the COBA Process

Medicare contractors should note that the larger-scale COBA process, where additional trading partners are first identified as testing participants with the COBC and then are moved to crossover production with the COBC following the successful completion of testing, may be activated at any time during the COBA smaller-scale parallel production period. Activation of the larger-scale COBA process will most likely not occur before the early months of calendar year 2005.

MSN Crossover Messages

Effective with the October 2004 systems release, the *Medicare contractor* will begin to receive BOI reply trailers (29) that contain an MSN indicator "Y" (Print trading partner name on MSN) or "N" (Do not print trading partner name on MSN).

Also, effective with the October 2004 systems release, when a *Medicare contractor* receives a BOI reply trailer (29) that contains a Test/Production Indicator of "T," it shall ignore the MSN indicator on the trailer. Instead, the *Medicare contractor* shall follow its existing procedures for inclusion of trading partner names on MSNs for those trading partners with whom it has existing TPAs.

When a COBA trading partner is in full production (Test/Production Indicator=P), the *Medicare contractor* shall read the MSN indicator returned on the BOI reply trailer (29). If the *Medicare contractor* receives an MSN indicator "N," it shall print its generic crossover message(s) on the MSN rather than including the trading partner's name. Examples of existing generic MSN messages include the following:

(For all COBA ID ranges other than Medigap)

MSN #35.1 - "This information is being sent to private insurer(s). Send any questions regarding your benefits to them."

(For the Medigap COBA ID range)

MSN#35.2- "We have sent your claim to your Medigap insurer. Send any questions regarding your Medigap benefits to them."

Beginning with the October 2004 systems release, contractors shall follow these procedures when determining whether to update its claims history to show that a beneficiary's claim was selected by CWF to be crossed over.

1. If the *Medicare contractor* receives a BOI reply trailer (29) that contains a Test/Production Indicator "T," it shall not update its claims history to show that a beneficiary's claim was selected by CWF to be crossed over.

2. If the *Medicare contractor* receives a BOI reply trailer (29) that contains a Test/Production Indicator "P," it shall update its claims history to show that a beneficiary's claim was selected by CWF to be crossed over.

Electronic Remittance Advice (835)/Provider Remittance Advice Crossover Messages

Beginning with the October 2004 release, when contractors receive a BOI reply trailer (29) that contains a "T" Test/Production Indicator, they shall not print information received from the BOI reply trailer (29) in the required crossover fields on the 835 Electronic Remittance Advice or other provider remittance advices that are in production. Contractors shall, however, populate the 835 ERA (or provider remittance advice(s) in production) with required crossover information when they have existing agreements with trading partners.

Beginning with the October 2004 release, when contractors receive a BOI reply trailer (29) that contains a "P" Test/Production Indicator, they shall use the returned BOI trailer information to take the following actions on the provider's 835 Electronic Remittance Advice:

1. Record code 19 in CLP-02 (Claim Status Code) in Loop 2100 (Claim Payment Information) of the 835 ERA (v. 4010-A1). [NOTE: Record "20" in CLP-02 (Claim Status Code) in Loop 2100 (Claim Payment Information) when Medicare is the secondary payer.]

2. Update the 2100 Loop (Crossover Carrier Name) on the 835 ERA as follows:

   - NM101 [Entity Identifier Code]—Use "TT," as specified in the 835 Implementation Guide.

   - NM102 [Entity Type Qualifier]—Use "2," as specified in the 835 Implementation Guide.

   - NM103 [Name, Last or Organization Name]—Use the COBA trading partner's name that accompanies the first sorted COBA ID returned to you on the BOI reply trailer.

   - NM108 [Identification Code Qualifier]—Use "PI" (Payer Identification)

     o NM109 [Identification Code]—Use the first COBA ID returned to you on the BOI reply trailer. (See line 24 of the BOI aux. file record

If the 835 ERA is not in production and the contractor receives a "P" Test/Production Indicator, it shall use the information provided on the BOI reply trailer (29) to populate the existing provider remittance advices that it has in production.

CWF Sort Routine for Multiple COBA IDs

When a beneficiary's claim is associated with more than one COBA ID (i.e., the beneficiary has more than one health insurer/benefit plan that pays after Medicare), CWF shall sort the COBA IDs and trading partner names in the following order on the returned BOI reply trailer (29): 1) Eligibility-based Medigap, 2) Supplemental, 3) TRICARE, 4) Others, and 5) Eligibility-based Medicaid. When two or more COBA IDs fall in the same range (see element 24 of the "Data Elements Required for the BOI Aux File Record" Table in chapter 27, §80.14 for more details), CWF shall sort numerically within the same range.

Medicare Summary Notice (MSN) and Electronic Remittance Advice (ERA) Crossover Messages During the Parallel Production Period

During the COBA parallel production period*, which began* July 6, 2004: 1) CWF will only return an "N" MSN indicator on the BOI reply trailer (29), in accordance with information received via the COIF submission; 2) If a "Y" indicator is returned, the *Medicare contractor* shall ignore it; and 3) the Medicare contractor shall follow its existing procedures for the printing of MSN crossover messages.

During the COBA parallel production period, *Medicare contractors* shall follow their current procedures for the reporting of crossover claims information in CLP-02 (Claim Status Payment) and in the NM101, NM102, NM103, NM108, and NM109 segments of Loop 2100 of the provider ERA. They shall also continue with their current procedure for inclusion of COB trading partner names on other kinds of provider remittance advices that you have in production.

Business Rules for Receipt of a CWF BOI Reply Trailer When Other Indicators of Crossover Are Present

COBA Parallel Production Period

During the COBA parallel production period*, which began* July 6, 2004, the *Medicare contractor* shall observe the following business rules when it receives a BOI reply trailer 29 and some other indication of crossover eligibility:

If the *Medicare contractor* receives a BOI reply trailer 29 with COBA IDs that fall in the ranges of 00001-89999, it shall continue to cross over claims a) per *its* existing TPAs and b) when Medigap or Medicaid information is reported on the claim. (NOTE: The preceding claim-based scenario does not apply to intermediaries.) In addition, the *Medicare contractor* shall send claims for which it receives BOI reply trailers to the COBC on the 837 v4010A1 flat file or National Council for Prescription Drug Programs (NCPDP) file. (NOTE: The COBA trading partner will only be charged for the claims that the Medicare contractor continues to cross to it during the parallel production period.)

During the parallel production period, the *Medicare contractor* shall not change its current procedures regarding suppression of Medicaid claims when a beneficiary has non-Medigap and/or Medigap insurance. The *Medicare contractor*'s Medicaid suppression logic should remain the same as today with its existing trading partners, even when it receives a BOI reply trailer that includes a Medicaid COBA ID.

Larger-Scale Implementation of the COBA Process

Beginning with the October 2004 release, *Medicare contractors* shall follow these rules when they receive a BOI reply trailer (29) that contains Test/Production Indicator "T" and there is some other indication of crossover eligibility:

If the *Medicare contractor* receives a BOI reply trailer (29) with COBA IDs that fall in the ranges of 00001-89999 (See Attachment A, element 24), it shall cross over claims 1) per its existing TPAs or 2) when Medigap or Medicaid information is reported on the claim (if that is how the carrier or DMERC currently crosses over claims to Medicaid). (NOTE: Claim-based crossover scenarios only apply to *Part B and* DMERC *contractors*.)

In addition, the contractor shall send claims for which it receives BOI reply trailer to the COBC on the 837 v4010A1 flat file or National Council for Prescription Drug Programs (NCPDP) file.

When a COBA trading partner is in test mode, the contractor shall not change its current procedures regarding suppression of Medicaid claims when a beneficiary has non-Medigap and/or Medigap insurance. The contractor's Medicaid suppression logic should remain the same as with current existing trading partners, even when you receive a BOI reply trailer (29) that includes a Medicaid COBA ID.

Beginning with the October 2004 release, contractors shall follow these rules when they receive a BOI reply trailer (29) that contains Test/Production Indicator "P" and there is some other indication of crossover eligibility:

1. If the *Medicare contractor* receives a BOI reply trailer (29) with a COBA ID that falls in the Medigap eligibility-based range (30000-54999), it shall not cross over claims based on an existing Medigap TPA or when Medigap information is reported on the claim. Instead, the *Medicare contractor* shall send the claim to the COBC (based on the BOI reply trailer 29) on the 837 v4010A1 flat file or NCPDP file for crossover by the COBC to the COBA trading partner. (NOTE: The assumption is that a beneficiary will have only one true Medigap insurer.)

2. If the *Medicare contractor* receives a COBA ID via a BOI reply trailer (29) that falls in the Supplemental range (00001-29999) and it has an existing TPA with a supplemental insurer for the beneficiary, it shall transmit the claim to the COBC for crossover to the COBA trading partner and cross the claim to your existing trading partner.

3. If the *Medicare contractor* receives a COBA ID via a BOI reply trailer (29) that falls in the Supplemental range (00001-29999), and it also receives Medigap crossover information on the claim, it shall cross the claim to the Medigap insurer identified on the claim and transmit the claim to the COBC for crossover to the COBA trading partner based on the Supplemental COBA ID.

4. If the *Medicare contractor* receives a COBA ID via a BOI reply trailer (29) that falls in the Medicaid range (70000-77999), it shall not cross over claims based on an existing Medicaid TPA or when Medicaid information is reported on the claim (if that is how the carrier or DMERC currently crosses over claims to Medicaid). Instead, the *Medicare contractor* shall send the claim to the COBC (based on the BOI reply trailer 29) on the 837 v4010A1 flat file or NCPDP file for crossover by the COBC to the COBA trading partner.

5. If the *Medicare contractor* receives a BOI reply trailer (29) that contains a Medicaid COBA ID (70000-77999) and it has an existing TPA with a

supplemental insurer or Medigap insurer, it shall suppress the Medicaid claim from inclusion on the COB 837 flat file or NCPDP file and cross the claim to the supplemental insurer.

6. If the *Medicare contractor* receives a BOI reply trailer (29) that contains a Supplemental COBA ID (00001-29999) or a Medigap eligibility-based COBA ID (30000-54999) and it has an existing TPA with Medicaid, it shall suppress its crossover to Medicaid but send the claim to the COBC.

NOTE: For the scenarios above, the trading partner shall be responsible for canceling any existing TPA that it has with the *Medicare contractor* once it has signed a COBA with the Coordination of Benefits Contractor (COBC).

C. Transmission of the COB Flat File or NCPDP File to the COBC

Regardless of whether a COBA trading partner is in test mode (Test/Production Indicator returned via the BOI reply trailer 29=T) or production mode (Test/Production Indicator returned via the BOI reply trailer 29=P), *Medicare contractors* shall transmit all non-NCPDP claims received with a COBA ID via a BOI reply trailer to the COBC in an 837 v.4010A1 flat file, as described in Transmittal AB-03-060. In a separate transmission, DMERCs shall send the claims received in the NCPDP file format to the COBC. *Medicare contractors* shall enter the 5-digit COBA ID picked up from the BOI reply trailer (29) in the 1000B loop of the NM1 segment in the NM109 field. In a situation where multiple COBA IDs are received for a claim, *Medicare contractors* shall send a separate 837 or NCPDP transaction to the COBC for each COBA ID. *Medicare contractors* shall perform the transmission at the end of their regular batch cycle, when claims come off the payment floor, to ensure crossover claims are not processed by the COBA trading partner prior to Medicare's final payment. Transmission should occur via Network Data Mover (NDM) over AGNS (AT&T Global Network Services).

Effective with October 4, 2005, when contractor systems transfer processed claims to the COBC as part of the COBA process, they shall include an additional 1-digit alpha character ("T"=test or "P"=production) as part of the BHT03 identifier (Beginning of the Hierarchical Transaction Reference Identification) that is included within the 837 flat file or NCPDP submissions. The contractor shared systems shall determine that a COBA trading partner is in test or production mode by referring to the BOI reply trailer (29) originally received from CWF for the processed claim. (See §70.6.1 of this chapter for further details about the BHT03 identifier.)

In addition, effective with October 4, 2005, the contractor shared systems shall submit separate 837 flat files or NCPDP files to the COBC—one that contains the BHT03 "test" identifier and another file that contains the BHT03 "production" identifier—in association with the file submission processes outlined above.

With respect to 837 COB flat file submissions to the COBC, *Part B* and DMERC *contractors* shall observe these process rules:

1. The following segments shall not be passed to the COBC:

   a) ISA (Interchange Control Header Segment);

b) IEA (Interchange Control Trailer Segment);

c) GS (Functional Group Header Segment); and

d) GE (Functional Group Trailer Segment).

The 1000B loop of the NM1 segment denotes the crossover partner. If multiple COBA IDs are received via the BOI reply trailer, *the contractor system shall ensure that* a separate 837 transaction should be submitted for each COBA ID received. As the crossover partner information will be unknown to the standard systems, the following fields should be formatted as indicated for the NM1 segment:

NM103—Use spaces; and

NM109—Include COBA ID (5-digit COBA ID picked up from the BOI reply trailer 29).

The 2010BA loop denotes the subscriber information. If available, the subscriber name, address, and policy number should be used to complete the NM1, N3, and N4 segments. If unknown, the segments should be formatted as follows, with COBC completing any missing information:

NM1 segment—For NM103, NM104, NM105, and NM107, use spaces;

NM1 segment—For NM109, include HICN;

N3 segment—Use all spaces; and

N4 segment—Use all spaces.

The 2010BB loop denotes the payer name. Per the HIPAA Implementation Guide (IG), this loop should define the secondary payer when sending the claim to the second destination payer. Consequently, given that the payer related to the COBA ID will be unknown by the standard systems, the NM1, N3, and N4 segments should be formatted as follows, with COBC completing any missing information:

NM1 segment—For NM103, use spaces;

NM1 segment—For NM109, include the COBA ID (5-digit COBA ID picked up from the BOI reply trailer 29);

N3 segment—Use all spaces; and

N4 segment—Use all spaces.

The 2330B loop denotes other payers for the claim. If multiple COBA IDs are returned via the BOI reply trailer, payer information for the additional COBA IDs will be unknown. As with the 2010BB loop, the NM1 segment should be formatted as follows, with COBC completing any missing information:

NM103—Use spaces; and

NM109—Include COBA ID (5-digit COBA ID picked up from the BOI reply trailer 29).

The 2330B loop shall be repeated to allow for the inclusion of the name (NM103) and associated Trading Partner ID (NM109) for each existing trading partner.

The 2320 loop denotes other subscriber information. Within the SBR segment, the SBR03 and SBR04 segments are used to define the group/policy number and insured

group name, respectively. If the information is available for these fields, those values should be propagated accordingly for both current trading partners and COBA trading partners. The COBC will inspect these values for COBA related eligibility based claims and overlay as appropriate. Spaces should only be used for COBA-related situations.

--SBR01—Treat as normally do.

With respect to 837 COB flat file submissions to the COBC, intermediaries shall observe these process rules:

As the ISA, IEA, and GS segments are included in the '100' record with other required segments, the '100' record must be passed to the COBC. However, as the values for these segments will be recalculated, spaces may be placed in all of the fields related to the ISA, IEA, and GS segments.

The 1000B loop of the NM1 segment denotes the crossover trading partner. If multiple COBA IDs are received via the BOI reply trailer, *the contractor system shall ensure that* a separate 837 transaction should be submitted for each COBA ID received. As the crossover trading partner information will be unknown to the standard systems, the following fields should be formatted as follows for the NM1 segment on the'100' record:

 NM103—Use spaces; and

 NM109—Include COBA ID (5-digit COBA ID picked up from the BOI reply trailer 29).

 The 2010BA loop denotes the subscriber information. If available, the subscriber name, address, and policy number should be used to complete the NM1, N3, and N4 segments. If unknown, the segments should be formatted as follows for the '300' record, with COBC completing any missing information:

 NM1 segment – For NM103, NM104, NM105, and NM107, use spaces;

NM1 segment—For NM109, include HICN;

N3 segment—Use all spaces; and

N4 segment—Use all spaces.

The 2010BC loop denotes the payer name. Per the HIPAA IG, this loop should define the secondary payer when sending the claim to the second destination payer. Consequently, since the payer related to the COBA ID will be unknown to the standard systems, the NM1, N3, and N4 segments should be formatted as follows for the '300' record, with COBC completing any missing information:

 NM1 segment—For NM103, use spaces;

 NM1 segment—For NM109, include COBA ID (5-digit COBA ID picked up from the BOI reply trailer 29);

 N3 segment—Use all spaces; and

 N4 segment—Use all spaces.

 The 2330B loop of the '575' record denotes other payers for the claim. If multiple COBA IDs are returned via the BOI reply trailer, payer information for the additional

COBA IDs will be unknown. As with the 2010BC loop, the NM1 segment should be formatted as follows, with COBC completing any missing information:

 NM103—Use spaces; and

 NM109—Include COBA ID (5-digit COBA ID picked up from the BOI reply trailer 29).

The 2330B loop shall be repeated to allow for the inclusion of the name (NM103) and associated Trading Partner ID (NM109) for each existing trading partner.

The 2320 loop denotes other subscriber information. Within the SBR segment, the SBR03 and SBR04 segments are used to define the group/policy number and insured group name, respectively. If the information is available for these fields, those values should be propagated accordingly for both current trading partners and COBA trading partners. The COBC will inspect these values for COBA related eligibility based claims and overlay as appropriate. Spaces should only be used for COBA-related situations.

---SBR01—Treat as normally do.

D. COBC Processing of COB Flat Files or NCPDP Files

When *a* Medicare contractor receives the reject indicator "R" via the Claims Response File, it is to retransmit the entire file to the COBC. If the Medicare contractor receives an acceptance indicator "A," this confirms that its entire COB flat file or NCPDP file transmission was accepted.   Once COB flat files or NCPDP files are accepted and translated into the appropriate outbound format(s), COBC will cross the claims to the COBA trading partner.   The format of the Claims Response File that will be returned to each Medicare contractor by the COBC, following its COB 837 flat file or NCPDP file transmission, appears in the table below. *(See §70.6.1 for specifications regarding the receipt and processing of the COBC Detailed Error Reports.)*

Claims Response File Layout (80 bytes)				
Field	Name	Size	Displacement	Description
1.	Contractor Number	5	1-5	Contractor Identification Number
2.	Transaction Set Control Number/Batch Number	9	6-14	Found within the ST02 data element from the ST segment of the ANSI 837 flat file or in field 806-5C from the batch header of the NCPDP file.
3.	Number of claims	9	15-23	Number of Claims contained in the ANSI 837 flat file or NCPDP file. This is a numeric field that will be right justified and zero-filled.
4.	Receipt Date	8	24-31	Receipt Date of ANSI 837 flat file or NCPDP file in CCYYMMDD format
5.	Accept/Reject indicator	1	32	Indicator of either the acceptance or rejection of the ANSI 837 flat file or NCPDP file. Values will either be an "A" for accepted or "R" for rejected.
6.	Filler	48	33-80	Spaces

Claims response files will be returned to contractors after receipt and initial processing of a claim file. Thus, for example, if *a* Medicare contractor sends a COB flat file daily, the COBC will return a claim response file to that contractor on a daily basis.

COB 837 flat files and NCPDP files that will be transmitted by the *Medicare contractor* to the COBC will be assigned the following file names, regardless of whether a COBA trading partner is in test or production mode:

PCOB.BA.NDM.COBA.Cxxxxx.PARTA(+1)   [Used for Institutional Claims]

PCOB.BA.NDM.COBA.Cxxxxx.PARTB(+1)   [Used for Professional Claims]

PCOB.BA.NDM.COBA.Cxxxxx.NCPDP(+1). [Used for Drug Claims]

Note that "xxxxx" denotes the Medicare contractor number.

Medicare contractors shall perform the 837 flat file and NCPDP file transmission at the end of the regular batch cycle, when claims come off the payment floor, to ensure crossover claims are not processed by the COBA trading partner prior to Medicare's final payment.

Files transmitted by the *Medicare contractor* to the COBC shall be stored for 51 business days from the date of transmission.

The file names for the Claims Response File returned to the *Medicare contractor* will be created as part of the NDM set-up process.

Outbound COB files transmitted by COBC to the COBA trading partners will be maintained for 50 business days following the date of transmission.

E. The Future COBA Claim-Based Process Involving CWF

The CWF shall load the initial COIF submission from COBC as well as all future updates that pertain to claim-based Medigap insurers and State Medicaid Agencies.

Once claim-based crossover becomes effective in the future, CWF shall only search the COIF if the carrier or DMERC has included a claim-based Medigap ID (55000-59999) or claim-based Medicaid ID (78000-79999) in field 36 of the HUBC or HUDC query. During the parallel production period (July 6, 2004, to October 1, 2004) and until the future implementation date for the claim-based COBA crossover process, CWF shall ignore claim-based COBA ID values if entered in field 36 of the HUBC or HUDC query.

Beginning with the implementation of the COBA claim-based crossover process, if claim-based COBA IDs are entered in field 36 of the HUBC or HUDC query, CWF shall:

Search the COIF to locate the claim-based Medicaid and/or Medigap COBA ID and corresponding COBA trading partner name;

Apply the Medigap claim-based trading partner's claims selection criteria;

Return a Claim-based reply trailer 37 that includes values for claim-based COBA ID (sorted by Medigap, then Medicaid), COBA Trading Partner Name, and MSN Indicator when a claim-based COBA ID is found on the COIF and the claim is to be sent to the COBC to be crossed over;

Return an alert code 7704 on the "01" response via a Claim-based alert trailer 21 to the carrier or DMERC if a claim-based COBA ID in the Medigap claim-based range (55000-59999) is not located on the COIF;

Return nothing to the *Part B and DMERC contractor if* a Medicaid claim-based COBA ID (78000-79999) is not found on the COIF.

F. COBA Claim-Based Crossover Process

Until further notice from CMS, *Part B and DMERC contractors* shall not cease their existing claim-based Medigap and/or Medicaid crossover processes. *Part B and DMERC contractors* will receive COBA claim-based crossover requirements as part of a future instruction.

G. Transition to the National COBA and Customer Service Issues

1. Maintenance of Current Crossover Processes, Including Entry into New Claims Crossover Agreements (also known as Trading Partner Agreements or TPAs)

Medicare contractors shall keep their present crossover process in place, including invoicing for claims crossed to current trading partners, as described in Pub. 100-6, Financial Management, chapter 1, §450 and §460, until each of their present trading partners has been transitioned to the COBA process. Once CMS has fully consolidated the claims crossover process under the COBC, the COBC will have exclusive responsibility for the collection of crossover claim fees for those Medigap and non-Medigap claims that are sent to the COBC to be crossed over to trading partners. The COBC will also have responsibility for distribution of the collected crossover fees to Medicare intermediaries and carriers. (See also Pub.100-06, Chapter 1, §450.)

As trading partners are signed on to national COBAs, they will be advised that it is their responsibility to simultaneously cancel current agreements with *the Medicare contractors* and to cease submission of eligibility files. (NOTE: During the parallel production period, the COBA trading partner will be instructed by CMS to not cancel current TPAs with you.) By current estimates, CMS expects to at least have all current eligibility file-based trading partners in test mode by end of fiscal year 2005 (September 30, 2005).

Medicare contractors shall execute new TPAs only with trading partners that will be converted to full crossover production by April 1, 2005. Therefore, CMS expects contractors to cease execution of new crossover TPAs by January 31, 2005.

Trading partners that either wish to go into live crossover production after January 31, 2005, or have current questions regarding the COBA process shall be referred to the COBC at 1-646-458-6740.

2. Workload *and Crossover Financial* Reporting In Light of COBA

For workload reporting purposes, *Medicare contractors* shall provide counts for those claims that they individually cross to current trading partners (including Medicaid), just as they currently do in CAFM II and in CROWD. *Medicare contractors* shall separately track claims transmitted to the COBC for crossover to the COBA trading partners for future reporting requirements by COBA ID.

Effective with October 4, 2005, contractors or their shared systems shall report the number of claims submitted to the COBC via the 837 flat files or NCPDP files to their associated contractors' financial management staff only for those BHT03 (Beginning of Hierarchical Transaction Reference Identification) indicators that include a "P" in the final position of the BHT03 (position 22).

Reports generated by the contractors or their shared systems to the contractors' financial management staff shall include like data that are submitted following receipt of the COBC Detailed Error Reports to fulfill the necessary provider notification requirements. (Note: The Detailed Error Reports shall contain the same BHT03 identifier for purposes of reporting to financial management staff as was included by the contractor shared systems on the 837 flat file and NCPDP claim file submissions sent to the COBC.) [See §70.6.1 of this chapter for more information about the COBC Detailed Error Reports].

Minimum information for each BHT03 shall include claim counts sorted by COBA ID and shall be organized into groupings that allow for separate totals by Medicaid (COBA ID range=70000-77999), Medigap (COBA ID range=30000-54999), Supplemental (COBA ID ranges=00001-29999 and 60000-69999), and Other (COBA ID range 80000-89999), as well as grand totals for all less Medicaid.

3. Customer Service

    a. COBA Parallel Production *or COBA Testing Process*

During the parallel production period*, and while a COBA trading partner is in test mode with the COBC (Test/Production Indicator="T"),* the *Medicare contractor* shall proceed with its current claims crossover customer service process. In addition, the Medicare contractor's claims history shall not be updated with crossover information based upon the receipt of a CWF BOI reply trailer (29).

    b. Updating of the HIMR Detailed History Screens By CWF and the Larger Scale Implementation of COBA

Effective with the October 2004 release, when a COBA trading partner is in production mode (Test/Production Indicator=P), CWF shall annotate each processed claim on detailed history within the Health Insurance Master Record (HIMR) with an indicator that will inform all users of the claim's crossover status. (See Pub.100-4, chapter 27, §80.15 for more information.). CWF shall allow for repeating of the application of crossover disposition indicators for up to ten (10) COBA IDs.

In addition, CWF shall annotate each processed claim with a 10-position COBA ID (5-digit COBA ID preceded by 5 zeroes) to identify the entity to which the claim was crossed or not crossed, in accordance with the COBA.

CWF shall not annotate processed claims on the detailed history screens in HIMR when a COBA trading partner is in test mode (Test/Production Indicator=T).

Effective with the October 2004 systems release, when a COBA trading partner is in production mode, the Medicare contractor's customer service personnel shall answer provider/supplier and beneficiary questions about a claim's crossover status by referring to your internal claims history. In addition, the Medicare contractor's customer service staff shall access information regarding why a claim did not cross by referring to the detailed history screens on HIMR (e.g., INPH, OUTH, HOSH, PTBH, DMEH, and HHAH). [See chapter 27, §80.15 of the Medicare Claims Processing Manual for a listing of all claims crossover disposition indicators.] These screens will also display indicator "A" when a claim was selected by CWF to be crossed over to the COBA ID shown. The BOI auxiliary file will identify the name associated with the COBA ID. Such information may also be available to contractor customer service staff via the Next Generation Desktop (NGD) application.

The CWF maintainer will issue instructions on the use of the new HIMR screens as part of the October 2004 release.

70.6.1   Coordination of Benefits Agreement (COBA) Detailed Error Report Notification Process

(Rev.586, Issued: 06-17-05, Effective: 10-01-05, Implementation: 10-03-05)

Effective with the July 2005 release, CMS will implement an automated process to notify physicians, suppliers, and providers that specific claims that were previously tagged by the Common Working File (CWF) for crossover will not be crossed over due to claim data errors. Claims transmitted via 837 flat file by the *Medicare contractor* systems to the COBC may be rejected at the flat file level, at an HIPAA ANSI pre-edit validation level, or by trading partners as part of a financial dispute arising from an invoice received. By contrast, claims transmitted via NCPDP file will be rejected only at the flat file and trading partner dispute levels. Effective with the April 2005 release, the *contractor* systems will have begun to populate the BHT 03 (Beginning of Hierarchical Reference Identification) portion of their 837 COB flat file submissions to the COBC with a unique *22*-digit identifier. This unique identifier will enable the COBC to successfully tie a claim that is rejected by the COBC at the flat file or HIPAA ANSI pre-edit validation levels as well as claims disputed by trading partners back to the original 837 flat file submissions.

Effective with October 4, 2005, contractors or their shared systems will receive notification via the COBC Detailed Error Reports, whose file layout structures appear below, that a COBA trading partner is in test or production mode via the BHT 03 identifier that is returned from the COBC.

A. Inclusion of the Unique *22*-Digit Identifier on the 837 Flat File and NCPDP File

   1. Populating the BHT 03 Portion of the 837 Flat File

       The *contractor* shared systems shall populate the BHT 03 (Beginning of Hierarchical Transaction Reference Identification; field length=30 bytes) portion of their 837 flat files that are sent to the COBC for crossover with a *22*-digit Contractor Reference Identifier (CRI). The identifier shall be formatted as follows:

       a.   Contractor number (9-bytes; until the 9-digit contractor number is used, Report the 5-digit contractor number, left-justified, with spaces for the remaining 4 positions);

       b.   Julian date as YYDDD (5 bytes);

c. Sequence number (5 bytes; this number begins with "00001," so the sequence number should increment for each ST-SE envelope, which is specific to a trading partner, on a given julian date);

d. Data Center ID (2 bytes; a two-digit numeric value assigned by CMS; see Table below for specific value for each contractor Data Center)*; and*

e. *COBA Test/Production Indicator (1-byte alpha indicator; acceptable values="T" [test] and "P" [production]).*

The *22*-digit CRI shall be left-justified in the BHT 03 segment of the 837 flat file, with spaces used for the remaining *8* positions. (**NOTE:** The CRI is unique inasmuch as no two files should ever contain the same combination of numbers.)

Data Center Name	Data Center Identification Number for BHT 03 Field
AdminaStar Federal	01
Alabama (Cahaba)	02
Arkansas BCBS	03
CIGNA	04
EDS/MCDC2 (Plano)	05
EDS/MCDC2 (Sacramento)	06
Empire Medicare Services	07
Florida BCBS	08
Highmark	09
IBM/MCDC1 (Southbury, CT)	10
Info Crossing	11
Medicare Northwest/Regence of Oregon	12
Mutual of Omaha	13
South Carolina BCBS (Palmetto GBA)	14
TrailBlazer Health Enterprises	15
Veritus Medicare Services	16

2. NCPDP *22*-Digit Unique Identifier

The DMERC *contractor* system shall also adopt the unique *22*-digit format, referenced directly above under "Populating the BHT 03 Portion of the 837 Flat File." However, the system shall populate the unique *22*-digit identifier in field 504-F4 (Message) within the NCPDP file (field length=35 bytes). The DMERC *contractor* system shall populate the new identifier, left justified, in the field. Spaces shall be used for the remaining bytes in the field.

B. COBC Institutional, Professional, and NCPDP Detailed Error Reports

The *contractor* systems shall accept the COBC Institutional, Professional, and NCPDP Detailed Error Reports received from the COBC. The formats for each of the Detailed Error Reports appear below.

The Institutional Error File Layout will be used for Part A claim files.

Field	Name	Size	Displacement	Description
1.	Date	8	1-8	Date Received (CCYYMMDD)
2.	Control Number	9	9-17	Transaction Set Control Number (Record 100, Field 26, ST02)
3.	COBA-ID	10	18-27	Receiver ETIN (Record 100, Field 55, NM109)
4.	Subscriber ID/HICN	12	28-39	Other Subscriber HICN (Record 590, Field 9, NM109)
5.	Claim DCN/ICN	14	40-53	Other Subscriber Secondary ID (Record 590, Field 17, REF02)
6.	Record Number	9	54-62	Record Sequence number in dataset sent. *(NOTE: Will only be returned for claims with "111" error source codes.)*
7.	Record/Loop Identifier	6	63-68	Either Record Identifier (e.g., 100, 200, 300) or Loop Identifier (e.g., 1000A, 2010AA, 2300), left-justified.
8.	Segment	3	69-71	Segment Name
9.	Element	2	72-73	Element Name
10.	Error Source Code	3	74-76	Numeric value to identify source of error (e.g., flat file, HIPAA ANSI level, or trading partner dispute). The possible Error Source Codes for HIPAA Institutional claims are: 111= flat file error; 222=HIPAA ANSI file error; 333=trading partner dispute.
11.	Error /Trading Partner	6	77-82	Alpha-numeric Error /Trading

Field	Name	Size	Displacement	Description
	Dispute Code			Partner Dispute Code
12.	Error Description	100	83-182	Detailed Reason for Rejection
13.	Field Contents	50	183-232	Field Contents for Element in Error
14.	BHT 03 Identifier	*22*	*233-254*	An identifier that contains contractor number, julian date, sequence number, Data Center ID*, and COBA test/production indicator*.
15.	Filler	*50*	*255-304*	For future use/expansion.

The Professional Error File Layout will be used for Part B and DMERC claim files.

Field	Name	Size	Displacement	Description
1.	Date	8	1-8	Date Received (CCYYMMDD)
2.	Control Number	9	9-17	Transaction Set Control Number ST Segment, ST02 element
3.	COBA-ID	10	18-27	Receiver ETIN; 1000B Loop, NM1 segment, NM109 element
4.	Subscriber ID/HICN	12	28-39	Other Subscriber HICN; 2010BA Loop, NM1 segment, NM109 element
5.	Claim DCN/ICN	14	40-53	Other Subscriber Secondary ID; 2330B Loop, REF segment, REF02 element with REF01 = F8–
6.	Record Sequence Number	9	54-62	Record Sequence number in dataset sent. *(NOTE: Will only be returned for claims with "111" error source codes.)*
7.	Loop Identifier	6	63-68	Loop Identifier (e.g., 1000A, 2010AA, 2300), left-justified
8.	Segment	3	69-71	Segment Name
9.	Element	2	72-73	Element Name
10.	Error Source Code	3	74-76	Numeric value to identify source of error (e.g., flat file, HIPAA ANSI level, or trading partner dispute). The possible Error Source Codes for HIPAA Professional claims are: 111= flat file error; 222=HIPAA ANSI file error; 333=trading partner dispute.
11.	Error /Trading Partner Dispute Code	6	77-82	Alpha-numeric Error /Trading Partner Dispute Code
12.	Error Description	100	83-182	Detailed reason for rejection
13.	Field Contents	50	183-232	Field contents for element in

Field	Name	Size	Displacement	Description
				error
14.	BHT 03 Identifier	*22*	*233-254*	An identifier that contains contractor number, julian date, sequence number, Data Center ID*, and COBA test/production indicator*.
15.	Filler	50	*255-304*	For future use/expansion

The NCPDP Error File Layout will be used for by DMERC *Contractors* for Prescription Drug Claims

Field	Name	Size	Displacement	Description
1.	Date	8	1-8	Date Received (CCYYMMDD)
2.	Batch Number	7	9-15	Batch number from the Header Record
3.	COBA ID	5	16-20	5-digit COBA ID.
4.	HICN	12	21-32	HICN (first 12 positions of the Patient ID field) in the G1/01 Record
5.	CCN	14	33-46	CCN from G1/00 record
6.	Record Sequence Number	9	47-55	Record Sequence Number in dataset sent. *(NOTE: Will only be returned for claims with "111" error source codes.)*
7.	Batch Record Type	2	56-57	Batch Record Type from Header Record
8.	Segment ID	2	58-59	Segment ID from Header Record

Field	Name	Size	Displacement	Description
9.	Error Source Code	3	60-62	Numeric value to identify source of error (e.g., flat file or trading partner dispute). The possible Error Source Codes for NCPDP claims are: 111= flat file error; 333=trading partner dispute.
10.	Error/ Trading Partner Dispute Code	6	63-68	Alpha-numeric Error/Trading Partner Dispute Code. (NOTE: Will not include Claredi-Faciledi HIPAA ANSI error codes.)
11.	Error Description	100	69-168	Detailed reason for rejection
12.	Field Contents	50	169-218	Field contents for element in error
13.	Unique File Identifier	22	219-240	*Equivalent to the BHT03 identifier used for the HIPAA 837 COB formats.* Included in field 504-F4 (Message) of the NCPDP claim (field length=35)
14.	Filler	50	241-290	Future use/expansion.

If a claim is rejected back to the *contractor* system for 2 or more COBA Identification Numbers (IDs), the *contractor* system shall receive a separate error record for each COBA ID. Also, if a file submission from a *contractor* system to the COBC contains multiple provider, subscriber, or patient level errors for one COBA ID, the system will receive a separate error record for each provider, subscriber, or patient portion of the file on which errors were found.

C. Further Requirements of the COBA Detailed Error Report Notification Process

  1. Error Source Code

   Contractors, or their shared systems, shall use all information supplied in the COBC Detailed Error Report (particularly error source codes provided in Field 10 of Attachment B) to (1) identify shared system changes necessary to prevent future errors in test mode or production mode (Test/Production Indicator=T or P) and (2) to notify physicians, suppliers, and providers that claims with the

error source codes "111," "222," and "333" will not be crossed over to the COBA trading partner.

DMERC *contractors*, or their shared system, will only receive error source codes for a flat file error ("111") and for a trading partner dispute ("333"). Both error types shall be used to identify shared system changes necessary to prevent future errors and notify physicians, suppliers, and providers that claims with error source codes of "111" and "333" will not be crossed over to the COBA trading partner.

2. Time frames for Notification of Contractor Financial Management Staff and Providers

Contractors, or their shared systems, shall provide notification to contractor financial management staff for purposes of maintaining an effective reconciliation of crossover fee/ complementary credit accruals within five (5) business days of receipt of the COBC Detailed Error Report.

Effective with the October 2005 release, contractors and their shared systems shall receive COBC Detailed Error Reports that contain BHT03 identifiers that indicate "T" (test) or "P" (production) status for purposes of fulfilling the provider notification requirements. (Note: The "T" or the P" portion of the BHT03 indicator will be identical to the Test/Production indicator originally returned from CWF on the processed claim.)

Special Automated Provider Correspondence

Contractors, or their shared systems, shall also take the following actions indicated below only when they determine via the Beneficiary Other Insurance (BOI) reply trailer (29) that a COBA trading partner is in crossover production mode with the COBC (Test/Production Indicator=P). After *a contractor,* or its shared system, has received a COBC Detailed Error Report that contains claims with error source codes of "111" (flat file error) "222" (HIPAA ANSI error), or "333" (trading partner dispute), it shall take the following actions within five (5) business days:

1. Notify the physician, supplier, or provider via automated letter from your internal correspondence system that the claim did not cross over. The letter shall include specific claim information, not limited to, Internal Control Number (ICN)/Document Control Number (DCN), Health Insurance Claim (HIC) number, Medical Record Number (for Part A only), Patient Control Number (only if it is contained in the claim), beneficiary name, date of service, and the date claim was processed. In addition, the letter shall contain the following message: "The above claim(s) was/were not crossed over to the patient's supplemental insurer due to claim data errors." NOTE: *Contractors,* or their shared systems, are not required to reference the COBA trading partner's name on the above described automated letter, since the original

remittance advice (RA)/electronic remittance advice (ERA) would have listed that information, if appropriate.

2. Update its claims history to reflect that the claim(s) did not cross over as a result of the generation of the automated letter.