

50.5 – Use of Standardized Technology

(Rev. 17, Issued: 08-23-13, Effective Date: 06-07-10, Implementation Date: 01-01-11)

In the April 2010 Final Rule (CMS-4085-F, 75 FR 19678), CMS added a new paragraph (c)(2) to § 423.120 which codified existing guidance that Part D sponsors use standard electronic transactions for processing Part D claims in compliance with CMS guidance on the use of optional or conditional fields in the HIPAA standard transactions when so instructed through Call Letter and Prescription Drug Benefit Manual instructions. The prior guidance in this section of the manual, previously entitled, “Standardized Claims Messaging,” was superseded by the new regulatory provision requiring Part D sponsors to utilize standardized electronic transactions established by 45 CFR §162.1102 for processing Part D claims. The preamble of the above-referenced regulation notes that CMS routinely works with NCPDP and industry representatives to arrive at recommendations for standardized use of optional or conditional fields when necessary to improve the administration of the Part D benefit and will issue guidance on the use of these fields within such standards. An example of such guidance would include section 50.4 of this chapter on “Processing Claims and Tracking TrOOP.” Such instructions are consistent with the rules governing use of HIPAA transactions whereby use of optional and conditional fields is governed by contractual terms between trading partners.

50.5.1 – Primary Payer Use of Option Fields to Support COB

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CMS recognizes version D.0 (and any future version) of NCPDP Telecommunication Standard Implementation Guide as the official vehicle for establishing the special electronic processing rules to be used in coordinating benefits and generating the N1 transaction.