CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10842	Date: June 11, 2021
	Change Request 11743

SUBJECT: Implementation of the Hospital Outpatient Department (HOPD) Prior Authorization (PA) Paired Items of Service for the X12 278 PA Transactions

I. SUMMARY OF CHANGES: The purpose of this CR is to support the exchange of HOPD PA requests in the X12 278 transaction format.

EFFECTIVE DATE: October 1, 2021
*Unless otherwise specified, the effective date is the date of service.
IMPLEMENTATION DATE: October 4, 2021

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
N/A	N/A

III. FUNDING:
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

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 10842	Date: June 11, 2021	Change Request: 11743

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I.   GENERAL INFORMATION

A.   Background: The Center for Program Integrity by itself and jointly with the Center for Medicare & Medicaid Innovation (CMMI) conducts demonstrations and model tests using prior authorization. This is done as part of the Centers for Medicare & Medicaid Services (CMS) approach to managing Medicare medical costs, reducing fraud, waste, and abuse, and protecting beneficiaries. This will compliment other, longer-term CMS efforts to reduce costs based on delivery system and payment reform while reducing the improper payment rate.

The Electronic Submission of Medical Documentation (esMD) system is a secured channel of communication to transfer the supporting documentations electronically, from the Provider, to the Review Contractor, for their purpose of conducting Medical Reviews. The esMD system currently supports the receipt of PA requests for various programs, as well. The esMD system primarily receives documentation for various lines of business, in the Cross Enterprise Document Interchange (XDR) profile format, and the PA Requests in both XDR and X12N 278 transactions.

This Change Request supports the currently implemented Hospital Outpatient Department (HOPD) services based PA requests, which may contain more than one item of service.

B.   Policy: The Administrative Simplification provisions of Health Insurance Portability and Accountability Act (HIPAA) require the Secretary of the Department of Health and Human Services (HHS) to follow the Security standards general rules as in § 164.306(a) and § 164.306(b) in order to protect the secure exchange of Protected Health Information/Personally Identifiable Information (PHI/PII) sensitive information electronically. The Administrative Simplification provisions of Health Insurance Portability and Accountability Act (HIPAA) require the Secretary of the Department of Health and Human Services (HHS) to follow the Security standards general rules as in § 164.306(a) and § 164.306(b) in order to protect the secure exchange of PHI/PII sensitive information electronically.

II.   BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
11743.1	The contractors shall receive and process the HOPD services based PA requests, from esMD, using the existing automated process. **Notes:** • esMD will receive the HOPD PA requests, from Providers, as an X12N 278 transaction. • esMD will perform the initial Syntactic and Conformance editing on the X12N 278 transaction. • esMD will continue to send HOPD PA requests information, via the batch file, on a daily basis, using the existing method of communication. • esMD will continue to use the currently established layout to provide the HOPD PA Request information.	X								VDC, esMD
11743.1.1	The VDC shall send esMD a response for all the *file* level errors, for all of the business situations, using the existing layout of information and method of communication.									VDC, esMD
11743.2	The contractors shall send the PA Responses for any *Administrative Errors* resulting from **the HOPD PA supporting documentation** received, to esMD via *RC Client,* to be responded back to the Provider. *Note:* • All currently existing *Administrative Error* situations are applicable to the HOPD PA Program transactions.	X								esMD
11743.3	The contractors shall send the PA *Reject Responses*to esMDat the **individual service level**, using the *Shared System/Workload response file* and the existing layout of information and method of communication. *Note:*	X								esMD

Number	Requirement	Responsibility								Other
		A/B MAC			DME MAC	Shared-System Maintainers				
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
	• The conditions, which currently exist in the automated process, are applicable to the HOPD PA requests.									
11743.3.1	The contractor shall send PA *Reject Responses* when any of the information provided on the HOPD PA request is incorrect, or insufficient, and the PA review cannot be conducted.	X								esMD
11743.3.2	The contractor shall provide the *Program Reason Code(s)* for the Rejection in the PA *Reject Response*, as applicable.	X								esMD
11743.4	The contractors shall send the PA *Decision Responses* to esMD, at the **individual Service level**, using the *Shared System/Workload response file* and the existing layout of information and method of communication. *Note:* • All the conditions for the various business situations of the Decision Responses, which currently exist in the automated process do apply.	X								esMD
11743.4.1	The contractors shall send Decision Responses (*Affirmation, or Non-Affirmation*) for every Service submitted, when the Request/Supporting documentation provided are reviewed and the decision can be rendered.	X								esMD
11743.4.2	The contractor shall provide the *Review Decision Reason Code(s)* for the Non-Affirmation, in the PA *Decision Response.*	X								esMD
11743.5	The contractors shall participate during the *User Acceptance Testing* period (September 2021) to test the changes, as applicable.	X								esMD
11743.6	The contractors shall attend up to 3 one-hour calls to kick-off the discussions with all participants to:	X								esMD

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
	• Understand when/how/what test data can be exchanged; and • Resolve any issues related to test data and the specification changes. - 3 one-hour calls to be scheduled between the Contractors and the esMD teams starting in July 2021. During the User Acceptance Testing period in September 2021, weekly calls can be scheduled with all participants to discuss any testing issues that may occur.										
11743.7	The esMD team shall schedule all calls for the purpose of sharing the required information with the participants.	X								esMD
11743.7.1	The contractors shall email their point of contacts for the calls to esMDBusinessOwners@cms.hhs.gov within 3 business days after the CR is released.	X								esMD
11743.8	The contractors shall exchange test scenario information with the esMD team, as per the discussions starting in July 2021.	X								esMD
11743.9	The contractors shall be aware that the 'Date of Service' mentioned in the comment below the 'Effective Date' of the CR has no functional impact to these CR requirements.	X								esMD

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			DME	CEDI	
		A	B	HHH	MAC		
	None						

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Melanie Jones, 410-786-5461 or Melanie.Jones@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0