



HHS Publishes Interim Final Rule with Comment Period Adopting HIPAA Standard for Electronic Funds Transfers and Electronic Remittance Advice

The HHS Centers for Medicare & Medicaid Services announced a final interim rule with comment period on January 5, 2012, adopting standards for the Health Care Electronic Funds Transfers (EFT) and Electronic Remittance Advice (ERA) transactions under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This regulation is the second in a series of regulations CMS is required to issue under the Patient Protection and Affordable Care Act of 2010 (PPACA) designed to streamline health care administrative transactions, encourage greater use of standards by providers, and make existing standards work more efficiently. HHS is adopting two standards for the health care EFT that a health plan must comply with in order to transmit health care claim payments to providers via EFT conducted through the Automated Clearing House (ACH) Network.

The two standards HHS is adopting for the health care EFT transactions conducted through the ACH Network are: (1) the CCD+Addenda implementation specifications in the 2011 National Automated Clearing House Association (NACHA) Operating Rules & Guidelines and (2) the TRN Segment implementation specifications in the ASC X12 835 Technical Report Type 3 (TR3) for the data content of the Addenda Record of the CCD+Addenda. The first is a standard format for when a health plan orders, authorizes, or initiates an EFT with its financial institution. The second standard specifies the data content to be contained within the EFT transaction. The goal for adopting these standards is to ensure that a trace number that connects the payment to the electronic remittance advice is inputted into a standard EFT format and that is received without error by the health care provider. CMS makes it clear that these EFT standards do not apply to health care claim payments made via EFT outside the ACH Network.

In addition, CMS clarifies that the ASC X12 835 TR3 (Version 5010) continues to be the transaction standard for the health care ERA transaction whenever the ERA is transmitted, including when the ERA is transmitted together with a health care EFT.

The regulation is effective January 1, 2012. Compliance with the regulation is required by January 1, 2014. The final rule, which is scheduled for publication in the January 10, 2012 Federal Register, may currently be found at the following web address: http://www.ofr.gov/OFRUpload/OFRData/2012-00132_PI.pdf. The deadline for the submission of comments is 60 days after the date of publication.