PACE

Pharmaceutical Assistance Contract for the Elderly

SUITE 301, 4000 CRUMS MILL ROAD HARRISBURG, PA 17112-2896 [717] 651-3600

November 27, 2013

Re: **Mandate January 1, 2014 – Covered Entities must comply with CAQH Phase III CORE® EFT and ERA Operating Rules per Section 1104 of the ACA (Affordable Healthcare Act)**

Dear Sir/Madam:

This letter is to inform you that Magellan Health Services is presently seeking to comply with the new CMS (Centers for Medicare & Medicaid Services) requirements effective **January 1, 2014, as communicated through the CAQH (Committee for Affordable Quality Healthcare) Phase III CORE® EFT and ERA Operating Rules section 1104**. The required changes apply to covered entities that use, conduct, or process the v5010 835 transaction and EFT.
Each component of the Operating Rule Changes has been assessed for impact. The impacted areas are as follows:

- EFT (Electronic Funds Transfer) or the ACH – a format change to the file is being made to always return the TRN segment using the CCD+ format. The TRN segment provides a Trace Number to reassociate dollars (payment) to remittance data (835).
- ERA (Electronic Remittance Advice) or the 835 – the possible change is to BPR16 which is a data element in the 835 file contained in the Check Issue or EFT Effective Date.
- Denied claims reporting – the Claims Adjustment Group Code (CAGC) and Claims Adjustment Reason Code (CARC) will be aligned with the industry recommendations of 'CO' for the Group Code and '16' for the Adjustment Reason Code for denied claims reporting only. An NCPDP Reject Code will continue to accompany the denial.
- ERA and EFT online enrollment – the capability to enroll online is to be provided by Magellan via a new web application; however, providers are not required to make any changes or re-enroll. The current 835 Print Program used to print the 835 does not need to be updated or changed.

We are not requesting anything of you at this time. This communication is intended to keep you informed of this requirement and our efforts to comply by the effective date set forth. If you have any questions, please contact Richard Flage at 717-651-6112.

Sincerely,

Richard Flage
Manager, Provider Services