

Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-17
Baltimore, Maryland 21244-1850



Notice of Draft Findings

Date of Report: FULLDATE

CONTACTNAME
JOBTITLE
CENAME
ADDRESS1
ADDRESS2
CITY, ST ZIP

Re: Assessment Number **XXXXXX**

Dear TITLE LASTNAME:

On (month, day, year), the Department of Health and Human Services (HHS), Division of National Standards (DNS) within the Centers for Medicare & Medicaid Services' (CMS) finalized the <**Covered Entity Name**> administrative simplification assessment.

The assessment process included a review of transactions, code sets, unique identifiers, and operating rules. It was comprised of employing a validation software tool to determine whether HIPAA transactions were compliant with the applicable 5010 ASC X12 standards and implementation guides. In addition, it included a manual review of companion guides and operating rule attestations.

The validation tool report(s) contain(s) detailed information pertaining to the violations found during the assessment. If a unique violation occurred multiple times within the report(s), they were considered one violation for assessment purposes. In addition, "Warning" or "Informational" violations were not considered. See the validation error report(s) located in the assessment secure site for <**Covered Entity Name**>.

This draft report is to inform you that the assessment findings for <**Covered Entity Name**> demonstrates noncompliance in the following areas: transactions, code sets, unique identifiers, and operating rules. The enclosed violations summary report includes a list of violations cited for assessment purposes. Each violation includes the unique error number from the validation error report, if applicable, and a reference to the pertinent Technical Report (TR3) and/or Operating Rule. In addition, the validation error report contains the description of the violation, if applicable, and the corresponding business message.

<**Covered Entity Name**> has the option of providing a response to each violation cited in the enclosed violations summary report. In addition, if <**Covered Entity Name**> disagrees with any violation cited, you must provide the basis for disagreement and all applicable references. All violation responses must be received by this office no later than (month, day, year (10 business days)).

As a courtesy, we have provided a “Covered Entity Response” section in the enclosed violations summary report. If you choose to respond using the “Covered Entity Response” section, please append “Response” to the file name and upload for DNS review by the response due date above.

DNS will include the <**Covered Entity Name**> response(s) as well as a DNS reply in the final assessment report. You can expect the final assessment report no later than (month, day, year).

DNS considers your compliance to be an essential part in preventing administrative simplification burdens to industry trading partners and covered entities. Therefore, DNS expects your full cooperation and that <**Covered Entity Name**> will correct all violations cited within this violations summary report.

If you have any questions about this report, contact the HIPAA compliance team via email at hipaacomplaint@cms.hhs.gov. Please include the assessment reference number located at the top of this report.

Sincerely,
Madhu Annadata, Director
Division of National Standards
Office of Information Technology

Enclosure – Violations Summary Report

Violations Summary Report (Example)

File Name(s): Health_Plan_835_14.txt	
Violation #1	
Validation Error ID: 0x3938eda	Assessment Category: Transaction
Violation Description: 835 transaction does not balance at the transaction level.	
Reference: 005010X221A1, Section 1.10.2.1.3 Transaction Balancing	
Covered Entity Response	
DNS Reply to Covered Entity (DNS Only)	
Violation #2	
Validation Error ID: 0x39393b5	Assessment Category: Unique ID
Violation Description: 835 transaction contains an invalid NPI number.	
Reference: 005010X221A1, 1000B, N1 Payee Identification, N103 Identification Code Qualifier XX, External Code Source 537, N104 Payee Identification Code	
Covered Entity Response	
DNS Reply to Covered Entity (DNS Only)	
Violation #3	
Validation Error ID: 0x3938bbe	Assessment Category: Code Set
Violation Description: 835 transaction contains a claim(s) with a second iteration of a CAS segment, with the same group code, before exhausting the first trio of the first CAS segment.	
Reference: 005010X221A1, Section 1.10.2.4 Claim Adjustment and Service Adjustment Segment Theory	
Covered Entity Response	
DNS Reply to Covered Entity (DNS Only)	

Operating Rules	
Violation #4	
Reference: Operating Rule 360, Requirement 4.1.2	Assessment Category: Operating Rule
Violation Description: Attestation indicates health plan has not mapped their CARC/RARC/CAGC crosswalk to their internal codes since 2014, and is out of alignment with the current code combinations.	
Covered Entity Response	
DNS Reply to Covered Entity (DNS Only)	

In accordance with the Paperwork Reduction Act (1995), no persons are required to respond to a collection of information, unless it displays a valid Office of Management and Budget (OMB) control number. The valid OMB control number for this information collection is **0938-XXXX (Expires XX/XX/XXXX)**. The time required to complete this information collection is estimated to average **[10 hours]** per response (4 forms x 60 minutes/form), including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:

Centers for Medicare & Medicaid Services
 Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05
 7500 Security Boulevard
 Baltimore, Maryland 21244-1850

Please do not send applications, claims, payments, medical records or any documents containing sensitive information to the PRA Reports Clearance Office. Any correspondence not pertaining to the information collection burden approved under the associated OMB control number listed on this form will not be reviewed, forwarded, or retained. If you have questions or concerns regarding where to submit your documents, please contact: Cecily Austin at cecily.austin@cms.hhs.gov or Kevin Stewart at kevin.stewart@cms.hhs.gov.