



ADMINISTRATIVE POLICY STATEMENT

Michigan Medicaid

Policy Name & Number	Date Effective
Trading Partners-MI MCD-AD-1388	06/01/2024-11/30/2025
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement prepared by CareSource and its affiliates are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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A. Subject

Trading Partners

B. Background

CareSource accepts electronic claims submissions to increase the efficiency of claims processing. CareSource has specific requirements regarding electronic claims submission. This policy applies to providers who want to directly connect with CareSource for electronic filing along with Trading Partners and Clearinghouses not already contracted with CareSource and the electronic claims submission process.

C. Definitions

- **Clearinghouses/Trading Partners** – Companies that function as intermediaries who forward claims information from healthcare providers to insurance payers.
- **Direct Connections** – Direct electronic claims submissions to CareSource without the use of a clearinghouse/trading partner.
- **Electronic Data Interchange (EDI)** – The computer-to-computer exchange of business data.

D. Policy

- CareSource only allows direct connections for EDI transactions with contracted Trading Partners/Clearinghouses, states and Centers for Medicare and Medicaid Services (CMS).
- CareSource will not contract or approve direct connections with providers (eg, hospitals, labs, offices, practitioners).
- New direct connection requests will not be granted unless they are fully documented and approved by CareSource's Information Technology and Operations executive leadership.

E. Conditions of Coverage

NA

F. Related Policies/Rules

NA

G. Review/Revision History

DATE		ACTION
Date Issued	09/27/2023	New policy. Approved at Committee.
Date Revised	03/13/2024	Annual review. Updated references. Approved at Committee.
Date Effective	06/01/2024	
Date Archived	11/30/2025	This Policy is no longer active and has been archived. Please note that there could be other Policies that may have some of the same rules incorporated and CareSource reserves the right to follow CMS/State/NCCI guidelines without a formal documented Policy.

The ADMINISTRATIVE Policy Statement detailed above has received due consideration as defined in the ADMINISTRATIVE Policy Statement Policy and is approved.

H. References

1. Definitions, 45 C.F.R. § 160.103 (2024).
2. *HIPAA 5010 EDI Companion Guide for ANSI ASC X12N 270/271 Health Care Eligibility Benefit Inquiry and Response*. Michigan Dept of Health & Human Services; 2019. Revised July 6, 2021. Accessed February 19, 2024. www.michigan.gov
3. *Medicaid Provider Manual*. Michigan Dept of Health & Human Services. Updated January 1, 2024. Accessed February 19, 2024. www.michigan.gov
4. Medicare HIPAA Eligibility Transaction System (HETS) Trading Partner Agreement (TPA). Centers for Medicare & Medicaid Services. Accessed February 19, 2024. www.cms.gov
5. *Standard Companion Guide Transaction Information*. Centers for Medicare & Medicaid Services; 2013. Accessed February 19, 2024. www.cms.gov
6. Trading Partners. Michigan Dept of Health & Human Services. Accessed February 19, 2024. www.michigan.gov