

ADMINISTRATIVE POLICY STATEMENT

Michigan Coordinated Health

Policy Name & Number	Date Effective
Electronic Data Interchange and Transactions AD-1607	01/01/2026
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statements 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 or Certificate of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other plan policies and procedures.

Administrative Policy Statements do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage or Certificate of Coverage) for the service(s) referenced in the Administrative Policy Statement. Except as otherwise required by law, if there is a conflict between the Administrative Policy Statement and the plan contract, then the plan contract 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

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

C. Definitions

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

D. Policy

- I. HAP CareSource only allows direct connections for EDI transactions with contracted Trading Partners/Clearinghouses, states, and Centers for Medicare and Medicaid Services (CMS).
- II. HAP CareSource will not contract or approve direct connections with providers (eg, hospitals, labs, offices, practitioners).

III. Trading Partners Transactions

A. Real time transactions

1. 270 – eligibility and benefits inquiry
2. 271 – response to eligibility and benefits inquiry
3. 276 – claim status inquiry
4. 277 – response to claim status inquiry

B. Batch transactions

1. 837 – claims
 - a. 837I – institutional claims
 - b. 837P – professional claims
 - c. 837D – dental claims
2. 278 – prior authorization

E. Conditions of Coverage

NA

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

F. Related Policies/Rules
NA

G. Review/Revision History

DATE		ACTION
Date Issued	07/16/2025	New policy. Approved at Committee.
Date Revised		
Date Effective	01/01/2026	
Date Archived		

H. References

1. Definitions, 45 C.F.R. § 160.103 (2025).
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. Revised May 2024. Accessed July 1, 2025. www.michigan.gov
3. Medicare HIPAA Eligibility Transaction System (HETS) Trading Partner Agreement (TPA). Centers for Medicare & Medicaid Services. Accessed July 1, 2025. www.cms.gov
4. Standard Companion Guide Transaction Information. Centers for Medicare & Medicaid Services; 2023. Accessed July 1, 2025. www.cms.gov
5. Trading Partners. Michigan Dept of Health & Human Services. Accessed July 1, 2025. www.michigan.gov

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