



HIPAA

Electronic Transactions and Code Sets

Presented by
WPS Medicare Part B
Provider Education
Electronic Data Interchange (EDI)
August 2004



Transactions Medicare Conducts

- Claims (837)
- Remittance (835)
- Eligibility inquiry and response (270/271)
- Claim status inquiry and response (276/277)
- Crossover & Medigap Coordination of Benefits (COB outbound 837)
- Available and in production!



OLD NSF Claim Format

AA092008	ASY	000085	SUBMITTER ASSOCIATES	104 JONES
BA0000009999	1000086	3711111111	E000009999	
BA1000009999	1000086	008		
CA0 010236	HONEY	BEE	19360103F 12	ARMSTRONG
DA001010236	PCMP00951	NOCD	MEDICARE	
DA101010236	ROUTE 13	WEST		MARION
DA201010236	12	ARMSTRONG		
EA0 010236	NN0	Y20030611		
FA001010236		200305282003052811	92015	00018001
FB101010236				
FA002010236		200305282003052811	99213	00031001
FB102010236				
XA0 010236	010302040000010			



NEW 4010A1 Format

HL*2*1*22*0~

SBR*P*18*****MB~

NM1*IL*1*LASTNAME*BEN****MI*399999999A~

N3*PO BOX 112~

N4*HOMETOWN*WI*49999~

DMG*D8*19140103*M~

NM1*PR*2*WPS-MEDICARE PART B*****PI*00951~

N3*P.O. BOX 1030~

N4*MARION*IL*62959~

CLM*0363157*426***11::1*Y*A*Y*Y*B*****P~

HI*BK:4280*BF:72989~

LX*1~

SV1*HC:99212*125*UN*1***1:2~

DTP*472*D8*20030313~

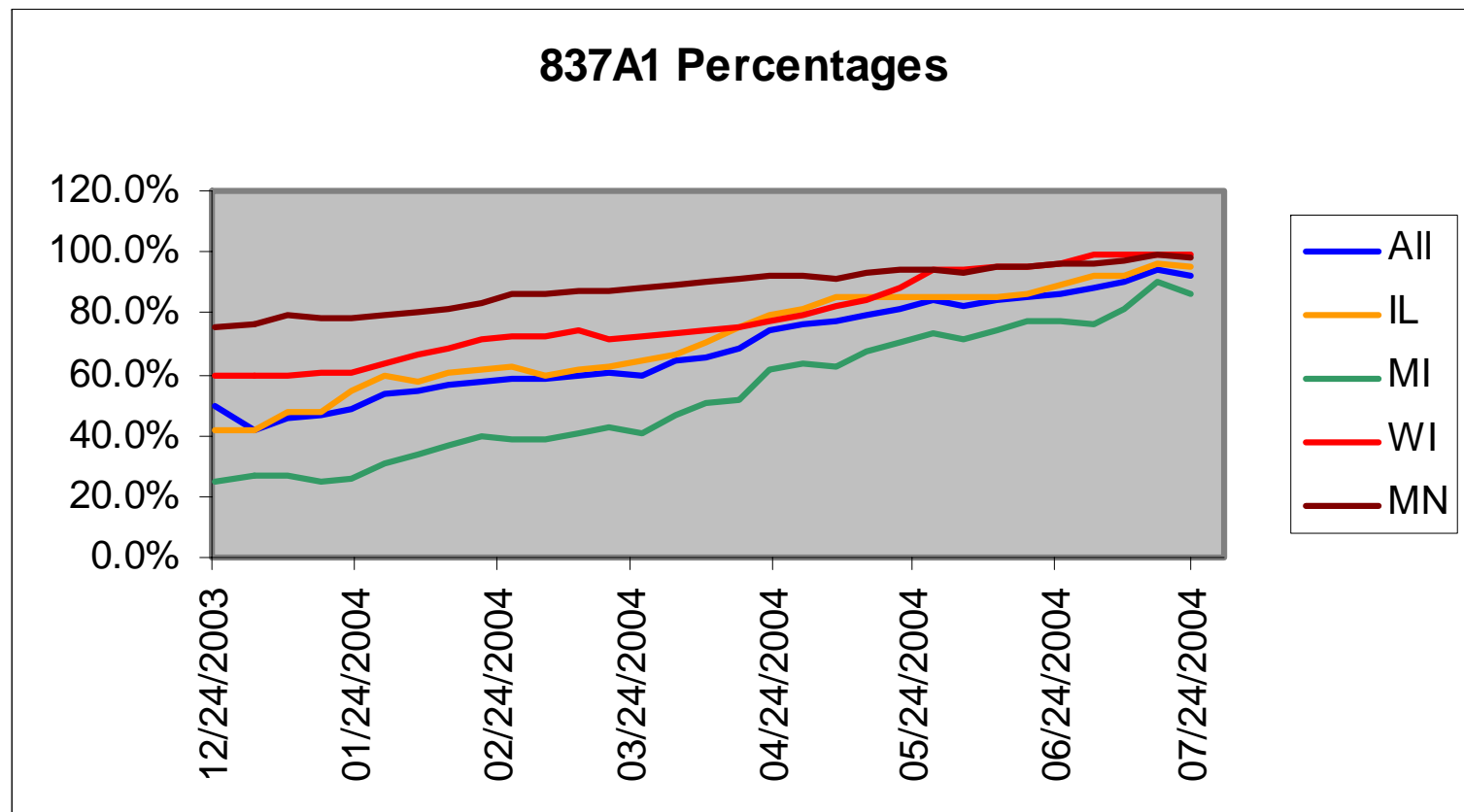


Obstacles for converting to HIPAA format

- Providers do not know their HIPAA status
- Vendor not ready
- Clearinghouse not ready
- Provider claims to clearinghouse not in new format
- “I haven’t converted yet because I’m waiting for _____.”

Where we're at now - 837 claims

3,459 submitters, 26,847 providers in production





ERN Production Status

835 v4010X091A1

- Medicare has been testing since fall, 2002
- Available in production X091 since January 2003
- Addenda version X091A1 available since April 2003
- 613 submitters receive ERN in production
- 39.6% of ERA recipients get 835 X091A1.
- X091A1 only available for new 835 4010 recipients
- Companion document published in April 2003 Communiqué
- **Parallel ERN file available upon request only - call the EDI Hotline to arrange for parallel electronic remittance.**



Crossover and Medigap (COB)

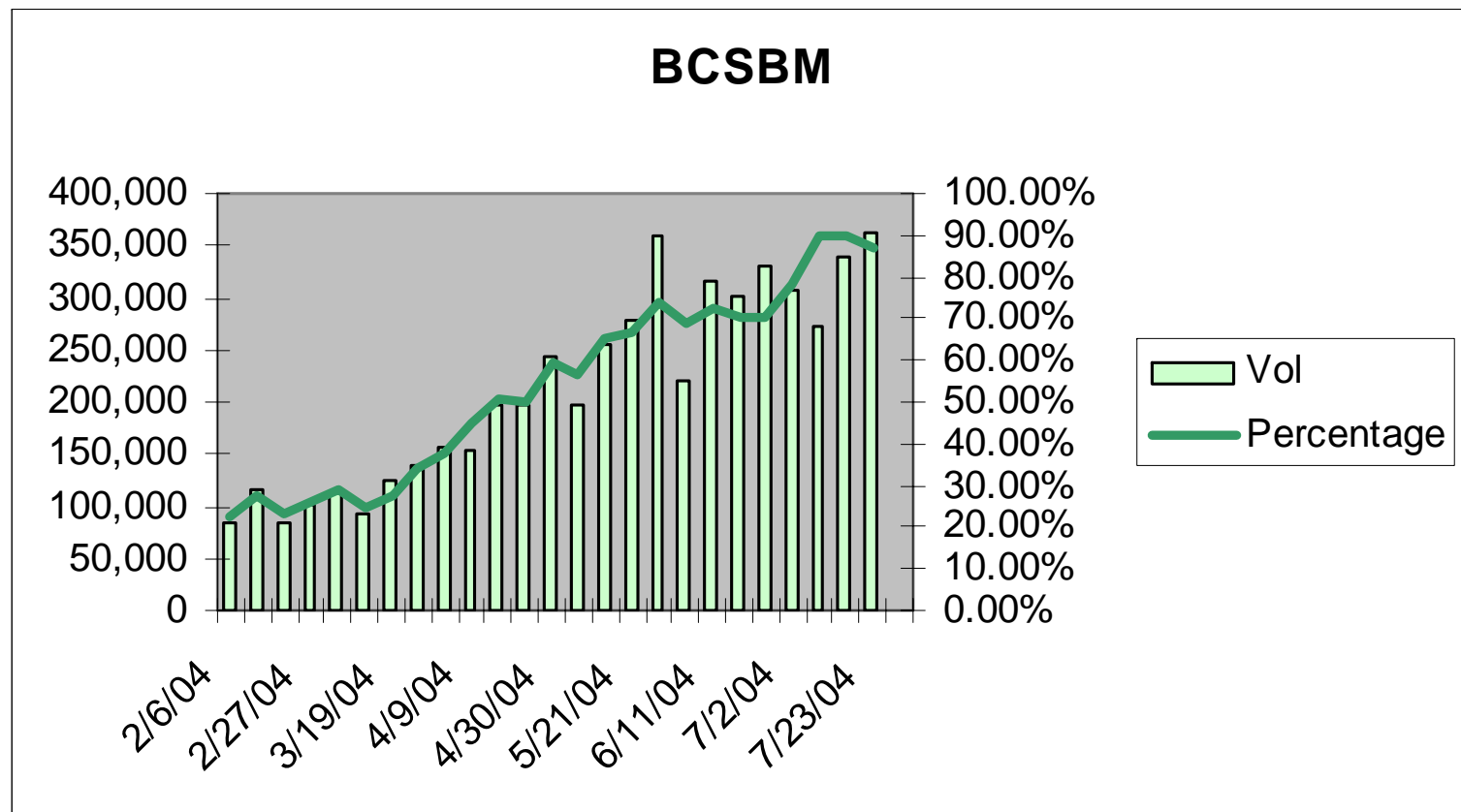
- Currently testing A1 with trading partners
- Currently in production with 16 COB partners
- Some payers who currently do not receive crossover files from us are in the testing or planning stages (ex: MI Dept. of Community Health)
- Crossover/Medigap list available on WPS web site (http://www.wpsic.com/medicare/provider/prov_resources.shtml)
- Medigap billing instructions - republished November 2003 Communiqué



Role of Clearinghouses

- Providers can use clearinghouses to convert non-standard formats to standard formats and/or route claims to payers
- ‘Clearinghouses and HIPAA’ Article published in the August 2001 Communiqué
- Providers must follow the clearinghouse's requirements for trading partner agreements, testing, and implementation schedules
- BCBSM sending production 837 4010 for those entities who send the clearinghouse a “new format,” e.g. 837 4010A1 or NSF-H.

BCBSM 837 Customer's Status





Dispelling the “myths”

- **MSP** claims can be filed electronically, as long as all the necessary information is provided in the proper electronic data elements (January 2003 Communiqué)
- **Chiropractic** claims can be filed electronically, addenda relaxed format requirements (June 2004 Communiqué)
- **Tax ID or SSN** for referring provider or supervising provider - required if known, or if required by format based on syntax requirements (July 2004 Communiqué).



Administrative Simplification Compliance Act (ASCA)

- Signed into law on December 27, 2001
- Granted an extension from the original October 16, 2002 compliance date
- **Required mandatory electronic submission of Medicare claims as of October 16, 2003**
- Requirement to file Medicare claims electronically is not affected by deployment of contingency
- Limited exceptions
- CMS made provisions for a “Request for Waiver” (February 2004 Communiqué).
- <http://www.cms.hhs.gov/hipaa/hipaa2/regulations/asca/asca.pdf>



CMS Invokes Contingency Plan

- CMS assessed provider and submitter readiness
- Allows Medicare to continue to accept and send non-HIPAA electronic formats
- Temporary measure to minimize disruption as trading partners work towards achieving compliance
- For a limited time only
- This is not an extension
- Compliance will be a complaint driven process
- Entities must demonstrate a good faith effort to achieve compliance



Modification to Contingency Plan

- Extends payment floor for non-HIPAA claims.
- Effective July 1, 2004
- A measured approach to ending the contingency
- Negative impacts on cash receipts
- Potential negative impacts on accounting practices



Enforcement

- Complaint-Driven Approach
- If a complaint is filed, CMS will evaluate the entity's good faith efforts to comply and give the opportunity to: demonstrate compliance, document its good faith efforts to comply and/or submit a Corrective Action Plan
- CMS will not impose penalties on covered entities that deploy contingencies to ensure the smooth flow of payments, if the entity has made good faith efforts to become compliant.
- Good faith effort means that prior to and after the deadline, the covered entity demonstrates sustained progress toward HIPAA compliance.



National Provider Identifier - NPI

- Department of Health and Human Services (DHHS) adopts a standard unique health identifier
- Once implemented, covered entities will use only the NPI to identify health care providers in all standard transactions
- Final Rule published on January 23, 2004
- Effective date is May 23, 2005
- Applications will be accepted after this date.
- Compliance date is May 23, 2007
- A unique 10 digit identifier with no embedded intelligence
- NPI will not expire
- www.cms.hhs.gov/hipaa/hipaa2/regulations/identifiers/default.aspx



Production Experiences

- Providers do not know their HIPAA status - mistakenly believe clearinghouse, biller or software is compliant with their claims
- 997 and processor comments not being utilized
- Many file failures due to syntax errors
- Invalid modifiers (e.g. 1, 3 or 4 digit modifiers)
- Missing information from other insurance (whether primary, 2ndary or tertiary)
- Invalid or illogical MSP information
- Facility information missing when the office address is different then the billing address
- Providers confusing supervising physician with referring physician.
- Missing date of admission (inpatient and some ambulance)
- National Provider Identifier qualifiers (XX) used; NPI not in affect yet
- Published article in June 2004 Communiqué



Medicare Free Billing Software

- PC Ace Pro 32
- Creates claim in HIPAA format 837X098A1
- Does not interface with your current billing system
- \$25 per year maintenance agreement



Key Points to Remember

- Know your HIPAA status
- Develop your contingency plans; avoid negative impacts of paper claims; explore options: billing services, clearing houses, billing software, vendors, translation software
- Document your contingency efforts
- Prevent file failures
- Utilize 997 and processor comments
- Eliminate missing information by improved patient registration processes
- Enhance pre-billing editing by working with vendor and billing staff
- Advantages of electronic transactions!



HIPAA Deadlines

- October 16, 2003 Electronic Health Care Transactions and Code Sets - all covered entities that filed for an extension and small health plans.
- April 14, 2004 Privacy - small health plans.
- April 21, 2005 Security - all covered entities except small health plans.
- May 23, 2005 Providers can begin applying for the National Provider Identifier (NPI)
- April 21, 2006 Security - small health plans.
- May 23, 2007 NPI compliance date for all covered entities, except for small health plans
- May 23, 2008 NPI compliance date for small health plans



Important Articles

- Role of Clearinghouses - Providers can use clearinghouses to convert non-standard formats to standard formats and route claims to payers (see August 2001 Communiqué)
- MSP billing instructions - January 2003
- Medigap billing instructions - November 2003
- 1500 Crosswalk - April 2003 & web site
- 837 Companion Document - June 2004
- 835 Companion Document - April 2003
- 276/277 Companion Document - November 2003
- 270/271 publication - November 2003
- Taxonomy Codes - September 2003
- How To File An Attachment - October 2003
- Chiropractic billing requirements - June 2004
- Tax ID for referring or supervising providers - July 2004
- How to read a 997 - available on web site.



HIPAA Information on Internet

- WPS Web Sites:

 - <http://www.wpsic.com>

 - http://www.wpsic.com/edi/hipaa_main.shtml

 - http://www.wpsic.com/medicare/provider/pub_home.shtml

 - http://www.wpsic.com/edi/pdf/medicare_connection.pdf
(approved software vendors, billing services and clearing house list)

- WPS EDI Hotline: (877) 567-7261

- CMS Web Sites:

 - <http://www.cms.hhs.gov/hipaa/hipaa2>

 - <http://www.askhipaa@cms.hhs.gov>



Thank you for your attention.