

## HIPAA information-sharing sessions scheduled

The information in this *Update* article applies to billing vendors, Medicaid HMOs and other managed care programs, as well as providers participating in the following Wisconsin health care programs administered by the Division of Health Care Financing (DHCF):

- Medicaid/BadgerCare.
- Health Insurance Risk Sharing Plan (HIRSP).

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The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) call for standardization of electronic health care transactions. The final rule for Transactions and Code Sets requires most health plans, all health care clearinghouses, and any health care provider that transmits specified health care transactions in electronic form to comply with this rule by October 2002. The Wisconsin Division of Health Care Financing (DHCF) will sponsor HIPAA information-sharing sessions throughout the state in May and June. These sessions are designed to introduce HIPAA legislation and discuss ways in which HIPAA will change the way you exchange health care information with DHCF-administered health care programs, both electronically and on paper.

### What does HIPAA mean for health care administration

Sweeping changes to everyday health care administrative processes will occur as a result of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Administrative Simplification provisions of HIPAA were established to improve the

efficiency and effectiveness of the health care system in the United States.

HIPAA requires the Secretary of the federal Department of Health and Human Services (HHS) to adopt national standards for:

- The electronic transmission of administrative and financial health care transactions (e.g., claim encounters, prior authorization, coordination of benefits) and code sets (e.g., diagnosis codes, procedure codes, procedure code modifiers).
- Unique health care ID numbers for providers, health plans, and employers.
- Protecting the privacy and security of individually identifiable health care information.

A great step was taken toward implementation of these provisions when the federal HHS published the final rule for Transactions and Code Sets in the Federal Register on August 17, 2000 (refer to the sidebar located at the end of this article for information on other HIPAA rules). HIPAA mandates that most health plans, all health care clearinghouses, and any health care provider that transmits specified health care transactions in electronic form comply with this rule by October 2002.

It is very important to understand that although HIPAA legislation is targeted at standardizing electronic transactions, *HIPAA will also affect many aspects of paper billing*, such as changes to coding structures and required data elements.

### Information-sharing sessions

In May and June, the Wisconsin Division of Health Care Financing (DHCF) will sponsor HIPAA information-sharing sessions throughout the state. During each session, Professional Relations representatives will:

- Share the DHCF's understanding of what HIPAA means to health care administration.
- Discuss the responsibility shared by all for implementation and compliance.
- Explore some of the ways HIPAA legislation may change the way you exchange electronic information with DHCF-administered health care programs, including claims and prior authorization (PA).
- Discuss the potential effect HIPAA may have on paper claim submissions.
- Give you resources to independently research how HIPAA impacts your business.

The DHCF strongly encourages everyone, whether you administer your health care program electronically or on paper, to attend a HIPAA information-sharing session. No registration fee or RSVP is necessary. Please be aware that seating is limited to a maximum of 200 seats per session at most sites. There will, however, be multiple sessions each day in an effort to accommodate all those who wish to participate. To minimize the effects of the seating limitations, the DHCF asks that no more than two representatives from each facility attend.

Refer to the Attachment to this *Update* for a complete list of the locations, dates, and times of upcoming sessions.

### Preparation

Before attending an information-sharing session, the DHCF recommends that you familiarize yourself with the Administrative Simplification provisions of HIPAA. Please:

- Review the final rule for Transactions and Code Sets, published in the United States Federal Register on August 17, 2000. An electronic copy of the rule is located on the Internet at [aspe.os.dhhs.gov/admsimp/](http://aspe.os.dhhs.gov/admsimp/). For information on ordering a paper copy of the final rule, please refer to the September 2000 *Wisconsin Medicaid and BadgerCare Update*.
- Search the Internet for HIPAA-related information. The Health Care Financing Administration has published a comprehensive list of HIPAA-related Web sites, along with a summary of what can be found on each, at [www.hcfa.gov/medicare/edi/hipaaedi.htm](http://www.hcfa.gov/medicare/edi/hipaaedi.htm).
- Review provider association publications for HIPAA information (as appropriate).
- Review the *HIPAA Up-to-date* articles published in the *Wisconsin Medicaid and BadgerCare Update* (July–October 2000). Electronic versions of the *Updates* are located on the Medicaid Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/). ✦

**I**t is very important to understand that although HIPAA legislation is targeted at standardizing electronic transactions, *HIPAA will also affect many aspects of paper billing*.

### Upcoming final rules

The final rule for Privacy was published in the federal register on December 28, 2000, but has not yet become effective.

Four other rules are slated for future implementation: National Identifiers, Security, Enforcement, and Claim Attachments.

When fully implemented, the Administrative Simplification provisions of HIPAA will affect nearly every aspect of health care administration throughout the United States.

# Identifying misuse and abuse of Medicaid ID cards

Providers may request additional proof of recipient identity if they suspect fraudulent use of a Medicaid ID card. Verifying recipient identity, as well as eligibility, can help providers detect instances of fraudulent ID card use. Providers are required to report instances of recipient misuse and abuse to the Division of Health Care Financing (DHCF), but may not confiscate Medicaid ID cards.

## Verifying recipient identity and eligibility

Verifying recipients' eligibility and identity can prevent recipient misuse and abuse of Medicaid ID cards. If providers suspect that someone other than the recipient is using a Medicaid ID card, they may request an additional form of identification from the person requesting services. If another form of identification is not available, providers can compare a person's signature with the signature on the back of the Medicaid ID card if it is signed. Wisconsin Medicaid encourages adult recipients to sign the back of their cards; however, it is not mandatory for recipients to do so.

Providers should also verify recipient eligibility at every visit *before* providing services because a recipient's eligibility status can change between visits. For more information on methods of verifying recipient eligibility through Wisconsin Medicaid's Eligibility Verification System (EVS), refer to the Provider Resources section of the All-Provider Handbook, or consult the electronic version of the handbook on the Medicaid Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/).

Providers are required to notify the Division of Health Care Financing (DHCF), as described

below, if they have reason to conclude that a person is misusing or abusing the Medicaid ID card. For example, a provider should conclude that there is misuse of a Medicaid ID card if the provider has previously met the recipient whose name is on the ID card and knows that the person presenting the ID card is not the actual recipient. If the person presenting the Medicaid ID card does not match the physical characteristics of the medical record for the recipient whose name is on the card, a provider should also conclude that the card is being misused.

Examples of recipient misuse or abuse are included in HFS 104.02(5), Wis. Admin. Code. Some of the examples of misuse and abuse are listed below:

- Permitting an unauthorized individual to use the card for the purpose of obtaining health care through Wisconsin Medicaid.
- Using a Wisconsin Medicaid card that belongs to another recipient.
- Using a Wisconsin Medicaid card to obtain any covered service for another individual.
- Altering or duplicating the Wisconsin Medicaid ID card in any manner.

The full list of examples is available on the Internet at [www.legis.state.wi.us/rsb/code/codtoc.html](http://www.legis.state.wi.us/rsb/code/codtoc.html).

## Providers are required to report recipient misuse and abuse

Providers are required to notify the DHCF regarding suspected cases of recipient misuse or abuse of Medicaid ID cards. However, the provider is under no obligation to inform the person presenting the card if the provider reports the instance. The DHCF monitors recipient records and can impose sanctions on those who misuse or abuse their benefits. For more information on recipient misuse and abuse and the resulting sanctions, refer to the Recipient Rights and Responsibilities section of

**V**erifying recipients' eligibility and identity can prevent recipient misuse and abuse of Medicaid ID cards.

the All-Provider Handbook and Section 49.49, Wis. Stats., at [www.legis.state.wi.us/rsb/Statutes.html](http://www.legis.state.wi.us/rsb/Statutes.html). To report cases of possible misuse and abuse, call Provider Services at (800) 947-9627 or (608) 221-9883 or write to the following office:

Division of Health Care Financing  
Bureau of Health Care Program Integrity  
P.O. Box 309  
Madison, WI 53701-0309

### Providing services

In addition to reporting known and suspected cases of misuse and abuse, providers have several options for providing services in these situations. If a provider has reason to conclude that the person presenting the card is misusing or abusing it, as described in the first section in this *Update*, the provider may:

- Refuse service. Medicaid providers are not required to provide services to Medicaid recipients under any circumstances. Moreover, HFS 106.02 (8), Wis. Admin. Code, expressly states that providers are not required to provide services to a person if the person refuses or fails to present a currently valid Medicaid ID card, and the provider cannot verify his or her eligibility through the methods provided by Wisconsin Medicaid.
- Collect payment from the person who presents the card before providing services.

Providers may not, in either situation, confiscate the ID card in question.

### *Deactivated Medicaid ID cards*

The possession of a deactivated card is not an instance of recipient misuse or abuse. In some situations, however, eligible recipients have been mistakenly denied services because they have presented this type of Medicaid ID card.

When a recipient reports a missing card, Wisconsin Medicaid deactivates the card and sends a new card to the recipient. When a deactivated card is swiped through a magnetic stripe reader, it will display rejection code 79, “ID card inactive,” indicating an invalid participant identification. If swiping a card produces this message, providers should ask the recipient if he or she is using a card that was previously reported as lost or stolen. Then, by manually entering the recipient’s ten-digit Medicaid ID number, providers may verify eligibility even if the recipient is using a deactivated card. Providers should also encourage the recipient to discard the deactivated card and use only his or her new card. If he or she has not already done so, a recipient without a new card should request one from Medicaid Recipient Services by calling (800) 362-3002. ✦

**P**roviders should encourage the recipient to discard the deactivated card and use only his or her new card.

## Commonly asked Family Care questions

Following are questions providers have had about Family Care, Wisconsin’s voluntary program that provides various long term care services. Family Care is currently being piloted in Fond du Lac, Portage, La Crosse, Milwaukee, and Richland counties.

### **What is a Care Management Organization?**

A Care Management Organization (CMO) has members for whom it coordinates the provision of long term care, health care, and other services. The most important distinction between a health maintenance organization (HMO) and a CMO is the range of services included in the contractual arrangement with the Department of Health and Family Services (DHFS). Medicaid HMOs provide a comprehensive range of primary and acute health care services. CMOs coordinate a set of services that is less than the full range covered

under the Medicaid program. In addition, CMOs coordinate some long term care services not provided by HMOs. For eligible Family Care members, Medicaid fee-for-service will continue to cover Medicaid services that are not included in the CMO benefit package.

Refer to the September 2000 *Wisconsin Medicaid and BadgerCare Update* for a comprehensive list of covered and noncovered services in the Family Care benefit package.

### **Who can act as a Care Management Organization?**

During the pilot phase of Family Care, the DHFS contracts only with counties or tribes to act as CMOs.

### **How will Care Management Organization provider networks be monitored to ensure that there are enough quality providers to provide services?**

Before entering into a contract with a CMO, the DHFS must review the CMO's provider network and certify that the CMO has a sufficient number, mix, and range of service providers for its projected membership. The DHFS also reviews how the CMO monitors the quality of its providers.

### **Are Family Care members allowed to make choices regarding their care and services?**

Yes, a guiding principle of Family Care is that service decisions are made with the member's participation.

### **Who else is involved in decisions about care choices?**

Each Family Care member has an assigned interdisciplinary team consisting of a registered nurse, a service coordinator, and other

professionals as appropriate. The interdisciplinary team also includes the member and, as appropriate, others who are knowledgeable about the member's needs and preferences. The interdisciplinary team works with the member to make care choices.

### **People who are not eligible for Medicaid services may still be eligible for Family Care services. What does this mean?**

Individuals who do not meet the Medicaid eligibility criteria may still meet the Family Care eligibility criteria to enroll in a CMO. Once they enroll in a CMO, these members:

- Receive services included in the Family Care benefit package from providers within the CMO network.
- Are financially responsible for services that are not included in the Family Care benefit package. These services are not reimbursable by Medicaid or the CMO. The provider should bill the member or the member's commercial health insurance for these services.

Providers may access eligibility information through the Automated Voice Response system or through a commercial eligibility verification vendor. Refer to the Provider Resources section of the All-Provider Handbook for detailed information on the methods of verifying eligibility.

### **More information**


For more general information about Family Care, refer to previous *Wisconsin Medicaid and BadgerCare Updates*. These can be found in the "Provider Publications" section of the Medicaid Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/). For more detailed information about Family Care, refer to the Family Care Web site at [www.dhfs.state.wi.us/LTCare/](http://www.dhfs.state.wi.us/LTCare/). ✦

**I**ndividuals who do not meet the Medicaid eligibility criteria may still meet the Family Care eligibility criteria to enroll in a CMO.

# What's new on the Medicaid Web site

The Wisconsin Medicaid Web site includes provider and recipient publications, Medicaid contacts and statistics, and eligibility and benefit information. You may visit the Medicaid Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/).

The following is a list of what has recently been added to the Medicaid Web site:

- March 2001 *Wisconsin Medicaid and BadgerCare Update*.
- Updated Medicaid and BadgerCare caseload statistics.
- New Specialized Transmission Approval Technology – Prior Authorization (STAT-PA) system and an upgrade for existing software.
- STAT-PA instruction manual. 
- Diagnosis Related Groupings (DRG) weights and rates for inpatient hospital.

Keep in mind that if you do not have a computer with Internet access, many libraries have access available. ✦

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/).

# ATTACHMENT

## Schedule for HIPAA information-sharing sessions

Location	Address and Telephone Number	Date	Time
Hayward	Lac Courte Oreilles Casino Lodge and Convention Center 13767 W. Cty. Road B Hayward, Wisconsin (715) 634-5643	May 8	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Eau Claire	Ramada Conference Center 1202 W. Clairemont Avenue Eau Claire, Wisconsin (715) 834-3181	May 9	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Eau Claire	Ramada Conference Center 1202 W. Clairemont Avenue Eau Claire, Wisconsin (715) 834-3181	May 10	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m.
Stevens Point	Holiday Inn 1501 North Point Drive Stevens Point, Wisconsin (715) 341-1340	May 15	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Stevens Point	Holiday Inn 1501 North Point Drive Stevens Point, Wisconsin (715) 341-1340	May 16	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m.
Rhinelanders	Holiday Inn 668 W. Kemp Rhinelanders, Wisconsin (715) 369-3600	May 21	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m.
Green Bay	Holiday Inn 200 Main Street Green Bay, Wisconsin (920) 437-5900	May 22	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Green Bay	Holiday Inn 200 Main Street Green Bay, Wisconsin (920) 437-5900	May 23	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.

Location	Address and Telephone Number	Date	Time
Madison	Sheraton Hotel 706 John Nolen Drive Madison, Wisconsin (608) 251-2300	June 4	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Madison	Sheraton Hotel 706 John Nolen Drive Madison, Wisconsin (608) 251-2300	June 5	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Madison	Sheraton Hotel 706 John Nolen Drive Madison, Wisconsin (608) 251-2300	June 6	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Milwaukee	Radisson Hotel Mayfair 2303 N. Mayfair Road Milwaukee, Wisconsin (414) 257-3400	June 11	8:00 a.m. - 9:30 a.m. 9:00 a.m. - 10:30 p.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 2:00 p.m. - 3:30 p.m. 3:00 p.m. - 4:30 p.m.
Milwaukee	Radisson Hotel Mayfair 2303 N. Mayfair Road Milwaukee, Wisconsin (414) 257-3400	June 12	8:00 a.m. - 9:30 a.m. 9:00 a.m. - 10:30 p.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 2:00 p.m. - 3:30 p.m. 3:00 p.m. - 4:30 p.m.
Milwaukee (Brookfield)	Sheraton Brookfield 375 South Moorland Road Brookfield, Wisconsin (262) 786-1100	June 14	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Milwaukee (Brookfield)	Sheraton Brookfield 375 South Moorland Road Brookfield, Wisconsin (262) 786-1100	June 15	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m.
Milwaukee	Four Points Hotel 4747 South Howell Milwaukee, Wisconsin (800) 558-3862	June 20	8:00 a.m. - 9:30 a.m. 9:00 a.m. - 10:30 p.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 2:00 p.m. - 3:30 p.m. 3:00 p.m. - 4:30 p.m.
Milwaukee	Four Points Hotel 4747 South Howell Milwaukee, Wisconsin (800) 558-3862	June 21	8:00 a.m. - 9:30 a.m. 9:00 a.m. - 10:30 p.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 2:00 p.m. - 3:30 p.m. 3:00 p.m. - 4:30 p.m.



Location	Address and Telephone Number	Date	Time
La Crosse	Best Western Midway Hotel 1835 Rose Street La Crosse, Wisconsin (608) 781-7000	June 25	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
La Crosse	Best Western Midway Hotel 1835 Rose Street La Crosse, Wisconsin (608) 781-7000	June 26	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m.
Fond du Lac	Holiday Inn 625 West Rolling Meadows Drive Fond du Lac, Wisconsin (920) 923-1440	June 28	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m. 1:00 p.m. - 2:30 p.m. 3:00 p.m. - 4:30 p.m.
Fond du Lac	Holiday Inn 625 West Rolling Meadows Drive Fond du Lac, Wisconsin (920) 923-1440	June 29	8:00 a.m. - 9:30 a.m. 10:00 a.m. - 11:30 a.m.