

To:

All Providers

HMOs and Other
Managed Care
Programs

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, PO 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/.

HIPAA affects all providers — not just those who submit electronic claims

All Medicaid providers are affected by the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) — not just those who submit electronic claims.

HIPAA affects all providers

Although federal HIPAA legislation is targeted at standardizing electronic health care transactions, HIPAA will also affect many aspects of paper billing, such as coding structures and required data elements.

Providers participating in health care programs administered by the Wisconsin Department of Health and Family Services (DHFS), Division of Health Care Financing, such as Wisconsin Medicaid and BadgerCare, as well as billing vendors, Medicaid HMOs, and other managed care programs should review *Wisconsin Medicaid and BadgerCare Updates* and *HIPAA inSights* for information on Wisconsin's implementation of HIPAA's provisions. *HIPAA inSights* typically contain HIPAA information that affects all providers. *Updates* contain important service-specific information.

Changes to Wisconsin Medicaid as a result of HIPAA

All providers, whether they submit paper or electronic Medicaid claims, should anticipate changes due to HIPAA. Examples of changes that providers can anticipate include:

- *Medical code sets.* Wisconsin Medicaid is in the process of conforming to the federal HIPAA standards by adopting the medical code set requirements for claims submission, including the elimination of local codes (e.g., local diagnosis codes, local procedure codes, local modifiers). Examples of standard medical code sets include:
 - ✓ *Current Procedural Terminology, 4th Edition (CPT-4).*
 - ✓ *The HCFA Common Procedure Coding System (HCPCS).*
 - ✓ *Current Dental Terminology (CDT).*
 - ✓ *National Drug Codes (NDC).*
 - ✓ *International Classification of Diseases, Ninth Edition, Clinical Modification (ICD-9-CM), Volumes 1, 2, and 3.*
- *Non-medical code sets.* Some non-medical code sets such as type of service codes will be eliminated. Other non-medical code sets will be replaced with national code sets, including:
 - ✓ Place of service codes.
 - ✓ Explanation of Benefits (EOB) codes. These will be replaced with national "reason and remark" codes on the paper and electronic versions of the Remittance and Status (R/S) Reports.

- *Forms and instructions.* Wisconsin Medicaid will revise paper forms and instructions to coincide with HIPAA standards (e.g., certain data elements will no longer be required). Providers can expect to see changes in prior authorization (PA) forms and instructions, and billing instructions for paper claims submission.

Wisconsin Medicaid will offer training sessions on the effects of HIPAA

Wisconsin Medicaid will conduct training sessions in 2003 on the changes that Wisconsin Medicaid will make to comply with HIPAA standards. The training sessions will not cover every aspect of the impact of HIPAA. The following are some examples of general topics that will be covered:

- Changes to paper claims submission (e.g., HCFA 1500, UB-92).
- Changes to claims adjustments.
- Changes to PA requests.
- Changes to R/S Reports.
- Local code crosswalks (e.g., local procedure codes, modifiers, and diagnosis codes) to national code sets.
- Explanation of new HIPAA Reason and Remark Codes. These will replace the current EOB Codes.

Dates, times, and locations for these training sessions will be published in future *HIPAA inSights*.

Implementation guides for electronic claims submission

HIPAA implementation guides define the data elements that will be required for electronic claims submission. These data elements may require providers who submit electronic claims to collect information that they do not currently collect. For information on obtaining HIPAA implementation guides, refer to the Washington

Publishing Company (WPC) Web site at www.wpc-edi.com/hipaa/HIPAA_40.asp. Copies are also available from WPC by calling (800) 972-4334.

The retail pharmacy implementation guide is available through the National Council for Prescription Drug Programs (NCPDP) Web site at www.ncdp.org/, or call (480) 477-1000.

Providers should monitor HIPAA regulation approval

While Wisconsin Medicaid will let providers know how HIPAA affects their interface with Medicaid, providers are responsible for researching the effects that HIPAA will have on their internal systems and business processes. For more information on how HIPAA will affect a provider's internal system and business processes, refer to the following Web sites for more information:

- www.cms.gov/hipaa/ — Includes links to the latest HIPAA news and HHS HIPAA-related links.
- aspe.hhs.gov/admsimp/ — Contains links to proposed and final rules, links to download standards and HIPAA implementation guides, and frequently asked questions regarding HIPAA and Administrative Simplification provisions.
- www.dhfs.state.wi.us/hipaa/ — Contains Wisconsin DHFS HIPAA-related publications, a list of HIPAA acronyms, links to related Web sites, and other valuable HIPAA information.

While Wisconsin Medicaid will let providers know how HIPAA affects their interface with Medicaid, providers are responsible for researching the effects that HIPAA will have on their internal systems and business processes.