

**Affected Programs:** BadgerCare Plus, Medicaid, SeniorCare, Wisconsin Chronic Disease Program, Wisconsin Well Woman Program

**To:** All Providers, HMOs and Other Managed Care Organizations

## Announcing Provider Electronic Solutions Software Version 3.0

This *ForwardHealth Update* outlines certain changes to Provider Electronic Solutions (PES) software that will make it compliant with Health Insurance Portability and Accountability Act of 1996 version 5010 transaction standards and the National Council for Prescription Drug Programs batch standard version 1.2. This *Update* covers the following topics:

- Upgrading to PES 3.0.
- Changes affecting all users regardless of claim form used.
- Changes affecting 837 Health Care Claim transactions.
- Changes affecting compound and noncompound claim transactions.

### Upgrading to Provider Electronic Solutions 3.0

Beginning October 15, 2011, providers may upgrade to the latest version of the Provider Electronic Solutions (PES) software. Provider Electronic Solutions 3.0 is compliant with all Health Insurance Portability and Accountability Act of 1996 (HIPAA) Accredited Standards Committee (ASC) X12 version 5010 transaction standards and the National Council for Prescription Drug Programs (NCPDP) batch standard version 1.2 and is offered free of charge to ForwardHealth providers. Providers may use PES 3.0 to submit claims on and after October 16, 2011, at 12:00 p.m. (noon).

Due to some of the factors listed in this *Update*, providers are advised to plan the timing of the upgrade to PES 3.0

carefully. ForwardHealth recommends providers complete some preparatory steps and perform the upgrade during a time when their billing submission volume is relatively low.

Prior to upgrading to PES 3.0, providers should do the following:

- Run the archiving function in PES if they have a large number of non-archived claims.
- Submit all transactions in ready mode and complete any necessary adjustments.
- Review the Provider Electronic Solutions User Manual for version 3.0, which will be available concurrently with the software upgrade.

When these steps are complete, providers may download PES from the Trading Partner area of the Portal. Existing users should choose the upgrade to PES 3.0, while new users should choose the PES 3.0 full installation.

After upgrading to PES 3.0, providers are required to complete compliance testing as described in the PES Trading Partner Testing Packet for ASC X12 Version 5010 Transactions on the ForwardHealth Portal at [www.forwardhealth.wi.gov/](http://www.forwardhealth.wi.gov/). The PES Testing Packet for *existing* users can be accessed from the HIPAA Version 5010 and NCPDP Version D.0 Implementation Page of the Portal. The PES Testing Packet for *new* users can be accessed from the Trading Partner area of the Portal.

Providers may continue to use older versions of PES until December 16, 2011. At that time, providers will be required to upgrade to the new version of PES before they are allowed to submit a claim. Once a user has upgraded to PES 3.0, he or she will not be able to go back and use a previous version. Providers should be sure to use the appropriate billing instructions for the PES version being used.

### ***Provider Electronic Solutions Training***

Training for PES 3.0 will be available beginning in October. ForwardHealth will send a future communication with training dates; providers may also refer to the Training page of the Provider area of the Portal for more information.

### **Changes Affecting All Users Regardless of Claim Form Used**

The following general changes apply to all providers who use PES 3.0.

#### ***Validity of Codes***

Beginning October 16, 2011, every code used is required to be a valid code, even if the code is entered in a non-required field, whether it is from a national code set or from an implementation guide code set. Claims with an invalid code will be denied by ForwardHealth.

#### ***Copying and Voiding Claims***

Due to the many changes made to PES 3.0 to comply with version 5010 and version 1.2 standards, after downloading the new version providers will not be able to copy any claims submitted using a previous version of PES. However, providers may view all previously submitted claims as archived claims. To resubmit, adjust, or void a claim submitted in an earlier version of PES, providers will first need to rekey the claim. ForwardHealth recommends that providers complete any adjustments, voids, or resubmissions in their current version of PES prior to upgrading to PES 3.0. This will reduce the number of claims that will need to be rekeyed.

Once claims or claim adjustments have been submitted through PES 3.0, they may be copied and adjusted as in previous versions.

### ***Entering New Taxonomy Codes and Subpart National Provider Identifiers***

Providers who entered list data in previous versions of PES will be able to access the data after upgrading to PES 3.0. However, providers who changed or added taxonomy codes or hospitals that added subpart National Provider Identifiers (NPIs) with ForwardHealth will need to add these new taxonomy codes or subpart NPIs to their taxonomy and provider lists in the new version of PES. For more information about changing or adding taxonomy codes, refer to the August 2011 *Update* (2011-47), titled “Providers May Change or Add Taxonomy Codes.” For more information about subpart NPIs, refer to the September 2011 *Update* (2011-51), titled “National Provider Identifier Subpart Policy for Hospitals.”

### ***Billing Provider Address Requirements***

In PES 3.0, providers may not enter a post office box or a ZIP+4 code associated with a PO Box in the provider list. The practice location address entered must be the street address that corresponds to the NPI listed for that provider and must match the practice location address on the provider’s file maintained by ForwardHealth.

### ***Viewing the 835 Health Care Claim Payment/Advice Transaction***

Between October 17, 2011, and December 16, 2011, providers using any version of PES will retrieve two versions of the 835 Health Care Claim Payment/Advice (835) transaction through PES; one will contain remittance information in the version 4010 format, the other will contain the same information, plus additional information, in the version 5010 format. After providers upgrade to PES 3.0, the 4010 version of the 835 transaction may no longer be in a readable format; for this reason, ForwardHealth recommends providers use the 5010 version of the 835 transaction after upgrading. After December 16, 2011, only

the 5010 version of the 835 transaction will be available through PES.

Because providers will receive two versions of the 835 transaction for the period listed above, they may want to increase the number of download files (i.e., 835 and 997 Functional Acknowledgment [997] transactions) PES will retain by changing the “Max Verify” setting under the Options — Retention tab in PES. By default, PES will retain up to 25 download files, but providers may increase this up to a maximum of 999.

### ***Receipt of the 997 Functional Acknowledgment Transaction***

In current and previous versions of PES, providers received the 997 transaction from ForwardHealth. With PES 3.0, the 997 transaction will no longer be used. Instead, providers will receive the 999 Functional Acknowledgment (999) transaction, the format and content of which is slightly different from that of the 997 transaction. Refer to the Provider Electronic Solutions User Manual version 3.0 for more information on the 999 transaction.

### **Changes Affecting 837 Health Care Claim Transactions**

The PES 3.0 changes outlined in this section apply to only those providers who use the 837 Health Care Claim transactions in PES.

#### ***Present on Admission Indicators Required***

In PES 3.0, inpatient hospital providers will be required to use present on admission (POA) indicators for all diagnosis codes entered on 837 Institutional Inpatient claims. Present on admission drop-down fields will display before each of the Institutional Inpatient diagnosis code fields. Valid POA indicators include “Y” (Yes), “N” (No), “W” (Not Applicable), and “U” (Unknown).

#### ***Renamed Admission Fields and Patient Status***

The Admission Type and Admission Source fields and their associated lists will be renamed in PES 3.0. Admission Type

will be renamed Visit Priority and Admission Source will be renamed Visit Point of Origin. In addition, these fields and the Patient Status field will be required for all providers using the 837 Institutional Inpatient, 837 Institutional Nursing Home, and 837 Institutional Outpatient claim forms in PES.

### ***Entering Hospital Leave of Absence Dates on Institutional Nursing Home Claims***

To indicate a hospital (not therapeutic) leave(s) of absence on a PES 3.0 837 Institutional Nursing Home claim, nursing home providers will be required to use occurrence span codes and dates. Nursing home providers will no longer be allowed to enter individual or range dates at the detail (service tab) level. Providers may indicate a hospital leave(s) of absence by entering Occurrence Span Code 75 along with a range of dates on Header 4 of the 837 Institutional Nursing Home claim form in PES 3.0. Occurrence Span Code 75 must be used in conjunction with revenue code 0185.

### ***Procedure Code Changes for Professional and Institutional Outpatient Claims***

When entering procedure codes in the 837 Professional or 837 Institutional Outpatient claim forms in PES 3.0, providers may not enter a procedure code directly in the form; all codes must first be entered into the procedure code list. To use a procedure code in PES 3.0, providers using these forms may either select one of the options from the procedure code drop-down field or double-click the field to open the procedure code list and add a new code and, if desired, a code description to the list.

Currently, procedure code descriptions entered in the procedure code list in PES do not get submitted on claims sent to ForwardHealth. In PES 3.0, procedure code descriptions entered in the procedure code list will automatically be populated on 837 Professional and 837 Institutional Outpatient claim forms once a procedure code is selected. This new feature allows providers to automatically submit unique descriptions for unlisted or not otherwise classified (NOC) procedure codes on each detail of a professional or institutional outpatient claim. Previously,

this information would have been manually entered in the “Notes” field on these claims.

As all descriptions entered in the procedure code list within PES 3.0 will be submitted along with the claim, providers are encouraged to review and revise their procedure code list descriptions, keeping in mind that these descriptions will affect adjudication of those claims using unlisted or NOC codes.

## **Changes Affecting Compound and Noncompound Claim Transactions**

The PES 3.0 changes outlined in this section apply only to those providers who use the compound and noncompound claim form in PES.

### ***Patient Location Is Now Place of Service***

The NCPDP Pharmacy Claim header field that is currently called Patient Location will be redefined as Place of Service, and a new set of values will be included in this drop-down field. For the list of POS code values accepted by ForwardHealth for all federal legend drugs, over-the-counter drugs, and diabetic supplies, refer to the August 2011 *Update* (2011-49), titled “Changes to Prior Authorization for Drugs and Diabetic Supplies Resulting from Implementation of the National Council for Prescription Drug Programs Telecommunication Standard Version D.0.”

### ***Other Payer Information on New Tabs***

Coordination of benefits information, currently collected on the Service 2 tab in PES, will be collected on Other Payer tabs in PES 3.0. An indicator on the Service 2 tab (called Number of Other Payers) will open the appropriate number of Other Payer tabs; up to nine other payers may now be added on a compound or noncompound claim.

Information collected on the new tabs will include type of insurance, date, amount paid/reject codes, and patient responsibility amount data for each payer. Providers may enter reject codes and descriptions on a new PES list called “Other Payer Reject Code.” Providers will also be able to

enter up to nine paid amounts with various qualifiers for each payer.

The Patient Responsibility Paid Amount field on the Other Payer tabs will replace the Patient Paid Amount field used for SeniorCare claims processing. Providers will be required to indicate the amount (e.g., copayment, deductible) for which a member is responsible to another payer in the Patient Responsibility Paid Amount field. An amount must be indicated in the new field if another payer’s patient pay amount is greater than zero.

### ***Billing Repackaging Allowances***

Currently, PES providers are instructed to bill repackaging allowances using submission clarification code “2.” Providers using PES 3.0 will indicate repackaging allowances using the new Special Packaging Indicator drop-down field (formerly called Unit Dose) and selecting a value of “4” (custom packaging) or “5” (multi-drug compliance packaging).

### ***Prescription Origin Code***

Pharmacy providers will be required to select a value for a new field called Prescription Origin Code. The values for this drop-down field indicate how or from what source the pharmacy provider received the prescription. Examples of valid values for this field include “1 — Written,” “2 — Telephone,” and “3 — Electronic.”

### ***Additional Diagnosis Code Fields***

Providers may enter up to five diagnosis codes for each compound and noncompound claim in PES 3.0.

### ***Basis of Cost Determination Values***

Providers will be required to select the code(s) that indicates the basis used to determine the cost of the drug (non-compound) or individual ingredients (compound) in PES 3.0. For example, valid values for the Basis of Cost Determination drop-down fields include “01 — Average Wholesale Price,” “02 — Local Wholesaler,” and “03 — Direct.”

### ***Additional Fields for Drug Utilization Review/Professional Pharmacy Services***

Provider Electronic Solutions 3.0 will be able to accept up to nine repetitions of Drug Utilization Review/Professional Pharmacy Services codes, including Reason for Service, Professional Service, Result of Service, and Level of Effort codes. These fields are used to bill Pharmaceutical Care.

### **Background on HIPAA ASC X12 Version 5010 and National Council for Prescription Drug Programs Version D.0**

Effective January 1, 2012, changes to HIPAA and NCPDP standards will impact electronic, paper, Provider Electronic Solutions, and Portal transactions exchanged with ForwardHealth. All covered entities (e.g., health plans, health care clearinghouses, and health care providers) will be required to begin using the new ASC X12 version 5010 and NCPDP version D.0 standards.

Refer to the HIPAA ASC X12 Version 5010 and NCPDP Version D.0 Implementation Page on the Portal for more information.

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

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at [www.forwardhealth.wi.gov/](http://www.forwardhealth.wi.gov/).

P-1250