January 12, 1999

Dear Health Care Partner:

You have probably heard about the Year 2000 computer problem, or the "Y2K bug." As a health care practitioner or institution, you need to be aware of how Y2K affects you and your patients. We all must do our part so that Medicare and Medicaid beneficiaries continue to receive high quality care, and you or your institution continue to be paid accurately and promptly.

The Year 2000 problem appears simple on the surface. Many computers and devices use only six digits to record dates. They may read 01-01-00 as January 1, 1900, rather than January 1, 2000. Patient care services, systems, and devices that rely on dates, the age of the patient, and other calculations could be severely affected if corrections are not made in time.

Every business and organization that relies on computer systems or devices must address Y2K. For all of us in the health care industry, it is a patient care issue as well as a business and technical problem. As Administrator of the Health Care Financing Administration (HCFA), I need to make sure you are aware of some key points:

- **HCFA will be ready to process acceptable claims.** We have made substantial progress in correcting our own systems in recent months and, despite earlier concerns, we will be ready on time. We are confident that all Medicare claims processes will be ready and able to function come January 1, 2000, so that you can be paid promptly.

- **You must also be ready if you wish to be paid promptly.** We can process your claims only if your systems are also able to function in the Year 2000. It is **URGENT** that you act **NOW** so your systems will be ready. Otherwise, you may not be able to receive prompt payment from Medicare, Medicaid, and virtually any other payer.

- **Your entire practice and facility must be ready.** The Y2K problem could impact quality of care and patient safety. Patient management systems, clinical information systems, defibrillators and infusion pumps and other medical devices, even elevators and security systems all must be ready.

We want to help you prepare for the Year 2000. Enclosed is a "Sample Provider Y2K Readiness Checklist" which you can use to assess what you need to do. You can find additional useful information at our www.hcfa.gov/Y2K web site. Information on medical devices is available on the Food and Drug Administration's www.fda.gov/cdrh/yr2000/year2000.html web site.

We are confident that HCFA will be ready, but we are also making contingency plans so we can continue operations if unexpected problems occur. For those of you that rely on computer systems, we believe the greatest risk is that your systems will not be able to bill for services.

You need to make sure you will be ready for the Year 2000. And, like us, you need to make contingency plans for your critical operations. These should focus especially on assuring safety for your patients who are reliant on equipment and devices containing embedded chips. In addition, you need to assure your ability to generate bills and manage accounts receivables, and assure essential services and supplies are maintained. Your patients and your business may depend on this.

What can you do to avoid potential Y2K pitfalls? There are key steps you can take to become Y2K ready:

Become aware of how the Year 2000 can affect your systems. Anything that depends on a microchip or date entry could be affected. Don't forget to identify those organizations that you depend on or who depend on you. List everything and identify your mission critical items, namely, those you cannot live without.

Assess the readiness of everything on your list. You can do this by contacting your hardware or software vendors or accessing key information from various web sites. Don't forget your maintenance and service contractors. If your particular software program or form is not Y2K ready, you need to decide whether you should invest in an upgrade or replacement.

Update or replace systems, software programs, and devices you decide are critical for your business continuity.

Test your existing and newly purchased systems and software. Do not assume that a system or a program is Y2K ready just because someone said it is. Test to make sure. During this process, keep track of your test plans and outputs in case a problem surfaces later. If you are not already using compliant electronic claim formats, consider testing your electronic data interchanges (EDI) with one or more of your payers, including Medicare. This will ensure that your payer can accept your EDI transactions, especially claims. Medicare can now accept claims with eight digit date formats.

Develop business contingency (continuity) plans in the event something goes wrong. Focus on the things that would be most problematic for you and your patients.

The enclosed checklist may also be helpful. It is only meant to be a guide and should not be considered all-inclusive.

Medicare beneficiaries are counting on all of us to meet the Year 2000 challenge. We will be ready. Now you need to do your part to be sure that you will continue to be paid as beneficiaries are assured that they will continue to receive the health care they have come to depend on.

Sincerely,

Nancy-Ann Min DeParle

Enclosure

ENCLOSURE

SAMPLE PROVIDER Y2K READINESS CHECKLIST

Please note: This checklist is intended as a supplemental guide in helping you determine your Y2K readiness. Consider using this along with other diagnostic and reference tools you have obtained for this venture. The purpose of this checklist is to aid you in determining your Y2K readiness. This information is not intended to be all inclusive. The Health Care Financing Administration will not assume any responsibility for your Y2K compliance.

Item	Y2K Ready	Not Y2K Ready
Bank debit/credit card expiration dates		
Banking interface		
Building access cards		
Claim forms and other forms		
Clocks		
Computer hardware (list)		
Computer software (list)		
Custom applications (list)		
Diagnostic equipment (list)		
Elevators		
Fire alarm		
Insurance/pharmacy coverage dates		
Membership cards		
Medical Devices (list)		
Monitoring equipment (list)		
Smoke alarm		
Telephone system		
Spreadsheets		
Treatment equipment (list)		
Safety vaults		