

HIPAA nSight

Health Insurance Portability and Accountability Act

December 2002 • No. 7
PHC 1920

The information in *HIPAA inSight* 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 and BadgerCare.
- Health Insurance Risk Sharing Plan (HIRSP).

Wisconsin Medicaid will offer free HIPAA-compliant claims submission software prior to October 2003

New Provider Electronic Solutions claims submission software for billing Wisconsin Medicaid

To assist providers in meeting the requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations, Wisconsin Medicaid will offer free HIPAA-compliant Provider Electronic Solutions (PES) electronic claims submission software to Medicaid providers. This software will be available prior to October 2003.

The PES software is only for billing Wisconsin Medicaid and will replace the current software provided by Proservices (known as EZ-LINK, Pace, and dental software). This software will be available directly from Wisconsin Medicaid for Wisconsin Medicaid providers only.

The free PES software offers the following benefits to Wisconsin Medicaid providers:

- Available via the Web and CD-ROM.
- Includes setup package.
- Is user-friendly for data entry of claims.
- Contains Windows-based help.
- Includes pre-submission editing to reduce claim errors.
- Includes ability to create reference list of reusable information.
- Includes ability to print reports.

Wisconsin Medicaid will inform providers in a future *HIPAA inSight* when the PES software is available. Refer to the Attachment of this *HIPAA inSight* for PES software recommended and optimal system requirements.

Providers who use Proservices Medicaid claims submission software

Providers who currently use Proservices Medicaid claims submission software may continue to do so until October 2003, the extended compliance deadline for HIPAA standards for electronic transactions.

Providers who use Proservices' or another vendor's software for non-Medicaid services

Providers who use Proservices or another vendor's software for billing non-Medicaid services should contact Proservices at (800) 822-8050 or their vendor directly for information about HIPAA compliance-related software changes and availability dates.

In this issue:

- Wisconsin Medicaid will offer free HIPAA-compliant claims submission software.
- Wisconsin Medicaid will offer HIPAA Companion Documents.
- Terms and definitions.
- Frequently asked questions.

Wisconsin Medicaid will offer HIPAA Companion Documents that complement national HIPAA Implementation Guidelines

Companion Documents that complement national HIPAA Implementation Guidelines will be available beginning in early 2003. Companion Documents are for software firms, billing services/clearinghouses, and computer processing staff who manage the technical component of electronic transactions conducted with Wisconsin Medicaid.

Purpose of Companion Documents

HIPAA companion documents will provide software firms, billing services/clearinghouses, and computer processing staff who manage the technical component (e.g., telecommunication, exchange file creation, and translation) of electronic transactions, from here on referred to as “**trading partners**,” with useful technical information on Wisconsin Medicaid’s standards for HIPAA-compliant transactions. Wisconsin Medicaid will release HIPAA **Companion Documents** that complement national **HIPAA Implementation Guidelines** beginning in early 2003.

The Companion Documents will *not* include instructions for billing staff. Companion Documents will *not* contain policy information or claim form instructions, but will help those who create the electronic formats for electronic data exchange. Wisconsin Medicaid will publish changes to Medicaid policy information and paper claim instructions that will result from HIPAA in future *Wisconsin Medicaid and BadgerCare Updates* and *HIPAA inSights*.

The HIPAA Companion Documents will highlight information that trading partners will need to successfully exchange HIPAA-compliant electronic transactions with Wisconsin Medicaid, including general topics such as:

- Methods of exchanging electronic information (e.g., exchange interfaces, transaction administration, and data preparation).
- Instructions for constructing the technical component of submitting or receiving electronic transactions (e.g., claims, remittance advice, and eligibility inquiries).

Companion Documents will cover the following specific subjects:

- Getting started (e.g., identification information, testing, and exchange preparation).
- Delivery mechanisms (e.g., Bulletin Board Software (BBS) Dial-Up Access, Internet File Transfer Protocol (FTP), and Magnetic Cartridges).
- Transaction administration (e.g., tracking claims submissions, contacting the Electronic Data Interchange [EDI] Help Desk).

Wisconsin Medicaid will publish changes to Medicaid policy information and paper claim instructions that will result from HIPAA in future Wisconsin Medicaid and BadgerCare Updates and HIPAA inSights.

- Transaction formats such as:
 - ✓ Retail pharmacy transactions.
 - ✓ Health care claims/adjustments for dental, professional, and institutional providers.
 - ✓ Enrollment and disenrollment in a health plan.
 - ✓ Eligibility inquiry and response.
 - ✓ Remittance advice.
 - ✓ Health plan premium payments.
 - ✓ Health claim status inquiry and response.
 - ✓ Referral certification and authorization (prior authorization).

Format of Companion Documents

Wisconsin Medicaid will notify trading partners in the monthly *Wisconsin Medicaid and BadgerCare Update Summary* when the HIPAA Companion Documents are available. Wisconsin Medicaid will offer multiple options

for obtaining Companion Documents including accessing them from the Internet.

Companion Documents may be updated as a result of changes to federal requirements. When this occurs, trading partners will be notified.

Helpful information

Providers may refer to the following for more HIPAA-related information:

- Implementation Guides may be downloaded from WPC at www.wpc-edi.com/hipaa/HIPAA_40.asp or providers may call (800) 972-4334 to order the CD-ROM version.
- Retail Pharmacy Implementation Guide(s) may be downloaded or ordered from www.ncdp.org/ or providers may call (480) 477-1000 to place an order.

Terms and definitions

Companion Document

Industry term for documents created by health plans to explain how they operate within the HIPAA Implementation Guides' rules, along with details for conducting electronic data exchange.

Implementation Guide

Defines the electronic format and values for each data element within a standardized electronic transaction. Implementation guides are authored by Accredited Standards Committee (ASC) X12 and the National Council for Prescription Drug Programs (NCPDP).

Trading Partner

An entity involved in exchanging electronic data (specifically, with Wisconsin Medicaid); the sender or receiver of electronic data.

Frequently asked HIPAA questions (Wisconsin Medicaid-specific information)

Q. What types of providers are required to submit HIPAA-compliant transactions to Wisconsin Medicaid?

A. Although the HIPAA Transactions and Code Sets regulation* does not require nonmedical providers (i.e., providers of non-health care services) to transmit HIPAA-compliant transactions, a health plan may require non-health care providers to use the standard transactions. While HIPAA and Wisconsin Medicaid do *not* require providers to conduct electronic transactions, Wisconsin Medicaid strongly encourages providers to do so. When HIPAA is implemented, Wisconsin Medicaid will require *all* providers (including non-health care services providers, such as specialized medical vehicle providers) who submit *electronic* transactions to use HIPAA-compliant transactions. Examples of electronic transaction formats that require HIPAA compliance include the following:

- Eligibility inquiry and response.
- Health care claims/adjustments for dental, professional, and institutional providers.
- Health claim status inquiry and response.
- Remittance advice.

* Federal Register, Part III, 45 CFR Parts 160 and 162; *Health Insurance Reform: Standards for Electronic Transactions; Announcement of Designated Standard Maintenance Organizations*; Final Rule and Notice; Vol. 65, No. 160; Thursday August 17, 2000; pp. 50315-50316.

Q. How is HIPAA affecting the CMS 1500 and UB-92 claim forms?

A. The Administrative Simplification provisions of HIPAA do not apply to paper forms. Wisconsin Medicaid, however, *will* change claims submission requirements for providers

using the CMS 1500 and the UB-92 claim forms (e.g., some of the fields currently utilized by Wisconsin Medicaid will no longer be used). Wisconsin Medicaid will issue new claims submission instructions to providers prior to October 2003.

The data content of the CMS 1500 and the UB-92 claim forms is the responsibility of the National Uniform Claim Committee (NUCC) and the National Uniform Billing Committee (NUBC), respectively. According to the federal Department of Health and Human Services (HHS), the NUCC and the NUBC have indicated that they will not revise either the CMS 1500 or UB-92 claim forms *prior to* October 2003.

Wisconsin Medicaid, however, will change claims submission requirements for providers using the CMS 1500 and the UB-92 claim forms (e.g., some of the fields currently utilized by Wisconsin Medicaid will no longer be used).

Both the NUCC and the NUBC have asked the Association for Electronic Health Care Transactions (AFEHCT) to address the data content gaps (differences to the HIPAA electronic format) in the CMS 1500 and UB-92 paper claim forms. The AFEHCT has organized a task force to analyze data content gaps and initiate a demonstration project to document how the gaps will be filled. For further information, refer to the HHS Web site at: aspe.hhs.gov/admsimp/q0001.htm. Providers may also direct HIPAA-related questions to askhipaa@cms.hhs.gov. ❖

Attachment

Provider Electronic Solutions System Requirements

Refer to the table below for Provider Electronic Solutions (PES) software system requirements.

Recommended
<ul style="list-style-type: none">• Pentium-level CPU 166 MHZ.• Personal computer with Windows 95/98/NT/ME operating system.• 100 MB HD space available.• 32MB RAM.• Mouse or tracking ball.• Resolution 800 X 600 DPI.• 14.4 baud rate modem.• CD-ROM (preferred).
Optimal (for providers sending large batches of claims)
<ul style="list-style-type: none">• Pentium-level CPU 233 MHZ.• Personal computer with Windows 95/98/NT/ME/XP operating system.• 100 MB HD space available.• 64MB RAM.• Mouse or tracking ball.• Resolution 800 X 600 DPI.• 57 baud rate modem.• CD-ROM (preferred).