Health Insurance Portability and Accountability Act (HIPAA)

How does it apply to the Business Office?
What is HIPAA?

Law designed with three essential purposes:

**To protect and enhance the rights of consumers by providing access to their healthcare (HC) information and controlling inappropriate use of that information**

**To improve quality of HC in the U.S. by restoring trust among consumers, HC professionals, and the multitude of organizations and individuals committed to delivery of HC.**

**To improve the efficiency and effectiveness of HC delivery by creating a national framework for health privacy protection that builds on efforts by states, health systems and organizations, and individuals.**
Effective Dates

• Effective date of Compliance: 10/16/2002

• If not able to meet deadline, request waiver from CMS to extend effective date to 10/16/2003

• Applies to all HC providers, clearinghouses, Indian Health Service, etc.
HIPAA – Business Transactions

Employer/Purchaser

Provider

Payer

Eligibility (270/271)

Claim (837/NCPDP) and Remittance Advice (835)

Claim (837) COB

(Secondary Payer) Referral (274)

Claim Status (277/276)

Claim Attachment (277/275 + HL7)

Enrollment/Disenrollment (834)

Premium Payment (820)
### HIPAA Transaction Codes
In Relation to RPMS Application Packages and Patches

<table>
<thead>
<tr>
<th>x.12 Standard</th>
<th>Transaction Standard</th>
<th>RPMS Application Patch</th>
</tr>
</thead>
<tbody>
<tr>
<td>270</td>
<td>Eligibility Inquiry</td>
<td>Pt Registration v6.0 p17</td>
</tr>
<tr>
<td>271</td>
<td>Eligibility Reply</td>
<td>Pt Registration v6.0 p17</td>
</tr>
<tr>
<td>NCPDP</td>
<td>Pharmacy Claim</td>
<td>Pharmacy v5.1 POS v1.0p2</td>
</tr>
<tr>
<td>837</td>
<td>Claim Request, Institutional</td>
<td>Third-Party Billing, v2.5 p1</td>
</tr>
<tr>
<td>837</td>
<td>Claim Request, Professional</td>
<td>Third-Party Billing, v2.5 p1</td>
</tr>
<tr>
<td>837</td>
<td>Claim Request, Dental</td>
<td>Third-Party Billing, v2.5 p1</td>
</tr>
<tr>
<td>835</td>
<td>Claim Reply, (Remittance Advice)</td>
<td>Accounts Receivable, v1.6 p3</td>
</tr>
<tr>
<td>276</td>
<td>Claim Status Request</td>
<td>Accounts Receivable, v1.6 p3</td>
</tr>
<tr>
<td>277</td>
<td>Claim Status Reply</td>
<td>Accounts Receivable, v1.6 p3</td>
</tr>
<tr>
<td>278</td>
<td>CHS Referral</td>
<td>Contract Health Service, v3.1 p4</td>
</tr>
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</table>
## Other Standard Code Sets

<table>
<thead>
<tr>
<th>Standard Code Sets</th>
<th>RPMS Application Version</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 ICD 9 Codes</td>
<td>AUM ICD Updates, V03.1</td>
</tr>
<tr>
<td></td>
<td>Released 9/23/02</td>
</tr>
<tr>
<td>2003 CPT Codes</td>
<td>To be released 12/02</td>
</tr>
<tr>
<td>AR Adjustment/Reason Codes</td>
<td>AR, v1.6 p3</td>
</tr>
<tr>
<td></td>
<td>Released 10/02</td>
</tr>
</tbody>
</table>
Accounts Receivable Standard Adjustment Codes

- Standardize AR Posting categories
- Mapped from old posting adjustment codes to standard ones
- New categories identified
- Renumbering of AR numbers
- Does not include local adjustment codes
- Each site to set up in RPMS based on AR patch
Insurer Readiness Survey Process

• **Insurer Survey Questionnaire**
  - Most insurers asking for waiver.
  - Too many insurers. Please provide names, addresses, and phone numbers.

• **Request**
  - Each Service Unit business office staff: send the information to Insurers and have them respond to me, or provide top Insurer information to me via email to follow-up.
Indian Health Service
HIPAA Readiness Survey
Third-Party Payers Questionnaire

Date:
Name of Insurance Company:
Address: PO Box/Street Address City, State, Zip
Person Completing Questionnaire:
Phone #/Fax Name

Please complete the following:
Will your company be prepared to implement the following by 10/16/2002?
HIPAA format Yes  No  N/A
If not, what date do you expect to start testing?

Contact Person/phone number/email address

270 Health Insurance Eligibility Request Verification for covered services

271 Health Insurance Response verification for covered services

835 Health Care Claim Payment/Remittance

837 Health Care Claim — Institutional

837 Health Care Claim or Encounter — Dental

837 — Health Care Claim or Encounter — Professional

276 Health Care Claim Inquiry to request status of claim

277 Health Care Claim response to report the status of a claim
<table>
<thead>
<tr>
<th>Rank</th>
<th>Vendor</th>
<th>Extension Status</th>
<th>Contact Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>New Mexico Medicaid</td>
<td>Waiver until 10/2003</td>
<td>6/18/02. Rus verified with Lily Martin (HIPAA Coordinator, 505-827-1327)</td>
<td>6/18/02. They are just getting started on the HIPAA transactions. The new person who will be leading the project is Kevin Fichtner - and he will start working the project in the next few weeks. Rus</td>
</tr>
<tr>
<td>2.</td>
<td>Arizona Medicaid - ACCHS</td>
<td>Waiver until 10/2003</td>
<td>Angela Fischer (602) 417-4723 HIPAA EDI: Goof Foden 602-417-4845 for all transaction types</td>
<td>9/30/02. Received completed questionnaire with information as noted.</td>
</tr>
<tr>
<td>3</td>
<td>NM Presbyterian Salud</td>
<td>Electronic claims pertaining to HIPAA/Chris Owens 923-8103 Julie Fulcher 923-6397 Overall IHS Liaison: Cecilia Flores 923-5400 The person who provided this info: Beth Stewart 923-5274</td>
<td>Received contact information from G Powers, 6/27/02. To contact for HIPAA readiness.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>NM Lovelace Salud</td>
<td>NM Lovelace Salud is handled by United Healthcare. UHC will merge with AmeriChoice in 10/02. UHC did not apply for a waiver, AmeriChoice did apply for waiver.</td>
<td>Bill Leicht, 602-331-5102 or <a href="mailto:george_w_leicht@uhc.com">george_w_leicht@uhc.com</a></td>
<td>9/19/02. Emailed questionnaire to B Leicht for status of all transactions.</td>
</tr>
<tr>
<td>5</td>
<td>NM Gmarron Salud</td>
<td></td>
<td>Mark Padilla, 505-342-4660 or <a href="mailto:mpadilla@hchorizons.com">mpadilla@hchorizons.com</a></td>
<td>Received contact information from G Powers, 6/27/02. Emailed Mr Padilla the questionnaire and awaiting response.</td>
</tr>
</tbody>
</table>
Summary

• Information Technology Support Center (ITSC) developed RPMS by 10/16/02 to process/receive above electronic transactions

• Year-long process based on Insurers

• ITSC to provide training as Insurers are ready to test/receive electronic transactions

• Privacy Rules and Patient Registration

• For more information: IHS.gov Web site