


IT'S EASIER THAN YOU THINK



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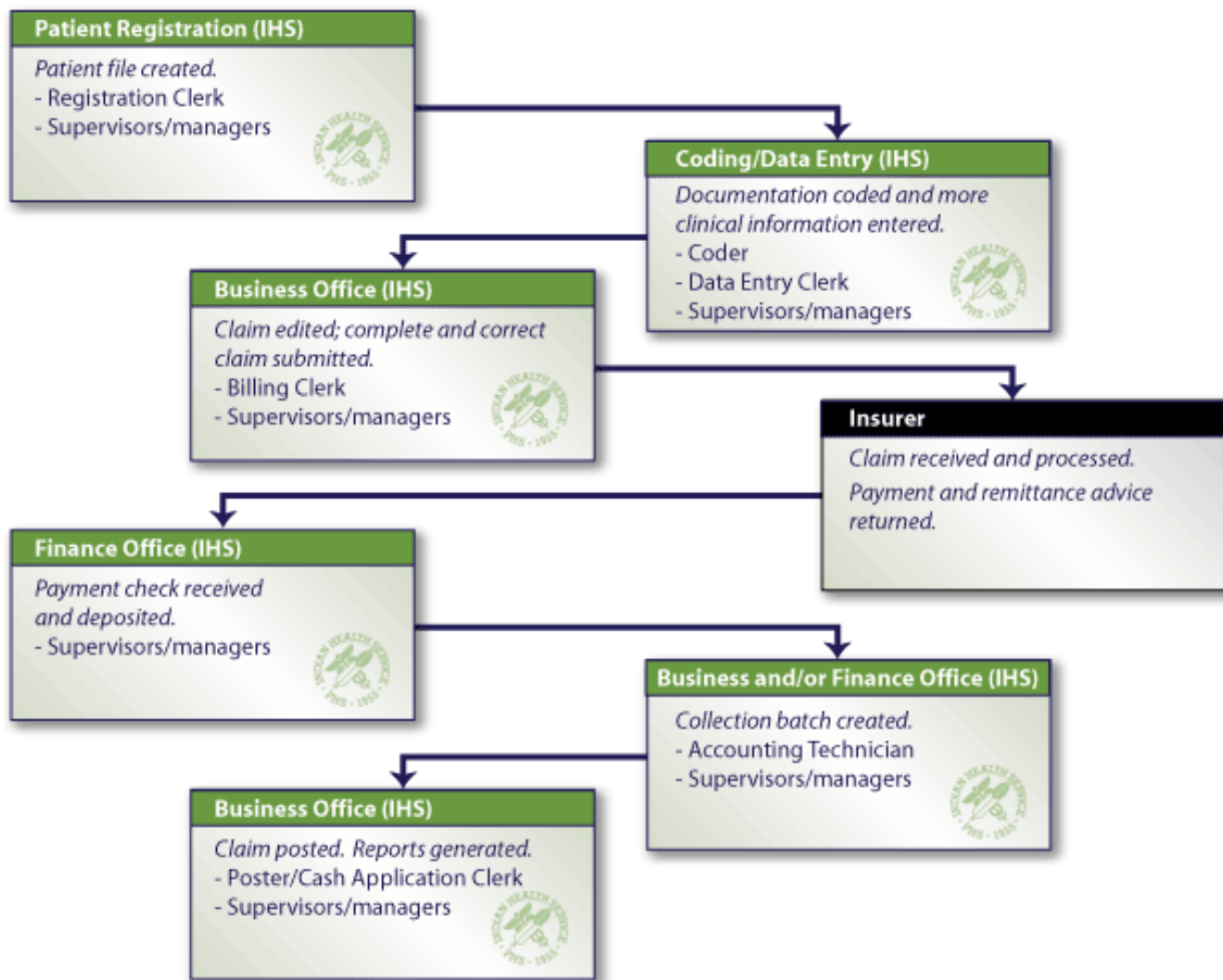
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Introduction

If you have received this e-mail, you are probably involved in some way in the third-party billing or Accounts Receivable (AR) process. Through your work in Patient Registration, the Business Office, or Finance, you have probably at least heard about Electronic Transactions. Because Electronic Transactions not only make good business sense but it's also the law, IHS is producing detailed and simple-to-use training materials to help you successfully meet the requirements for HIPAA electronic transactions and code sets.

This e-mail provides an introductory overview to Electronic Transactions. It also requests e-mail feedback from you about the information. That feedback will be incorporated into the final training binder, so use the link at the bottom and contact us. In addition, please forward this e-mail on to anyone else who needs this information. Your input is vital!

First, a graphic look at the process and positions affected.



There is a good chance that you know about the changes being implemented throughout IHS in third-party billing and accounts receivable. In fact, you may be at a facility that is participating in that implementation process. In any case, you have undoubtedly heard stories about the challenges of getting the system up and running.

Well, help is on the way! Over the next three months, we will provide the information you need to bring two important functions into the electronic age. The two functions are:

- Health Claims & Equivalent Encounter Information or the 837
- Health Care Payment & Remittance Advice or the 835

You may not need all the information we provide to do your job, but at least some of it will apply to you. We will guide you through each step of the process, pointing you to references for additional information and giving you resources for one-on-one help.

In this first e-mail, you will learn:

- What factors have led to the electronic world of third-party billing and accounts receivable
- What electronic transactions mean for you and your co-workers
- How IHS is making it simpler for you
- The current status of implementation

IHS' goal is to make everyone's job easier. In the process, revenue will increase, cash flow will even out, and we will be supporting the mission of providing the highest quality health care to all American Indians, Alaska Natives, and those served by our urban facilities.

New and Old Formats		
837I(Institutional)	replaces	UB-92
837P(Professional)	replaces	HCFA-1500
837D(Dental)	replaces	ADA forms
837COB (Coordination of Benefits)	Used to submit claims to secondary insurers.	
835	replaces	NSF forms

How Did We Get to Where We Are Now?

In addition to HIPAA and its legal requirements, three developments over the past 15 years have affected third-party billing and accounts receivable:

- More medical information is being stored and exchanged electronically.
- In increasing numbers, patients are requesting access to and copies of their medical records.
- Health care costs, including administrative costs, have soared.

The result? Medical facilities are faced with additional tasks.

Task #1: Privacy	Task #2: Accountability	Task #3: Efficiency
Keeping electronic patient records protected so that only the right people have access to them.	Creating a system that tracks who accesses patient records and when.	Reducing the time spent doing paperwork.

How do we address the tasks of privacy, accountability, and efficiency? For those of us who are responsible for billing office functions, it means moving as rapidly as possible into full-scale Electronic Transactions.

While Electronic Transactions make good business sense and address important patient rights issues, there is another reason for them: We do not have a choice. The law requires us to.

In 1996, Congress passed the Health Insurance Portability and Accountability Act (HIPAA). Among other provisions, HIPAA includes a section on Administrative Simplification. This section was intended to reduce the costs and administrative burdens of health care by making possible the standardized, electronic transmission of many administrative and financial transactions using standard record formats, code sets, and identifiers.

Standardized Electronic Transmission

The impact of electronic standardization as described in the Administrative Simplification section of HIPAA is that it increases risk to the security and privacy of individually identifiable health information. Because Congress did not enact legislation defining the privacy and security requirements of HIPAA, the Department of Health and Human Services (DHHS) was required to provide the requirements.

There are currently four final rules from DHHS for HIPAA:

- Transaction and Code Set Standards (Final)
- Privacy Standard (Final)
- Security Standard (Final)
- National Provider Identifier Standards (Final)

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

As passed by the United States Congress, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) instituted a number of administrative reforms. HIPAA impacts all functions, processes, and systems that store, handle, or generate health information. The law changes the way health care providers must protect the privacy of a patient's health information and contains security procedures that must be followed to protect the integrity of a patient's health information. Of major importance in the HIPAA legislation is the issue of data and transaction standardization – a mandate very few healthcare providers can sidestep if they bill third parties for services provided to patients.

Compliance Period

A date has not been specified for when all health care providers and insurers must comply with HIPAA. However, a date is expected and members should be able to show "good faith efforts" working toward compliance.

What Do Electronic Transactions Mean For You And Your Coworkers?

Electronic transactions will have benefits for many people, once the system is implemented and working properly.

Patient Registration:

"I didn't realize how important it was to put in all the correct information – like all the parts of the address and every type of insurance the patient has and the relationship between the patient and insured person."

-Registration Clerk

"If you don't enter the codes right, the claim keeps coming back."

-Coder

Billing Office:

"You have to edit every claim thoroughly. If you don't, the claim will be rejected. Figuring out the error reports is not fun."

-Billing Clerk

"We put off doing this for a long time because the old way seemed to work fine. But we are so much more efficient with the new process. We can actually keep up with the work."

-Office Coordinator

Accounts Receivable:

"The thing that I really like about the 835 is that posting is so much easier. Now we have more time for reconciliation."

- Finance Office Manager

Site Management:

"We were really worried about what this would mean to our revenue stream. We knew in the long run we would get paid much faster. But what would happen when we were going through testing? Well, it really wasn't so bad. We planned for the extra labor time that would be required and it is really paying off."

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How Is IHS Making It Easy For You?

HIPAA compliance is as much a matter of management as it is of technology. IHS' Office of Information Technology (OIT) continues to work hard to put in place the resources you need to successfully implement electronic transactions at your facility.

- The RPMS tools you need are ready.
- The materials you need are on hand.
- Problem solving is ongoing and best practices are being developed.
- Help is available.

The RPMS tools you need are ready.

Complying with HIPAA does not mean that you have to learn a new software package. RPMS has been analyzed to determine what modifications are needed and those software requirements have been made.

RPMS Software Requirements	
Transaction	Tool
837-Third Party Billing and 835-Accounts Receivable Generic Interface Software (GIS)	GIS v3.01, p2 & p5 (Optional)
837-Third Party Billing Institutional, Professional and Dental Claim Requests	3rd Party Billing, v2.5, p6
837-Third Party Billing Provider/Location Taxonomy	AUT Patch v98.1, Patch 13
837-Third Party Billing	<i>Manually Adding Provider Taxonomy</i> provides instructions to add provider and location taxonomy codes. As a backup, third party RPMS software (3P) uses crosswalk to find taxonomy number.
997 Functional Acknowledgement and Comp Report	Macro has been developed to convert error report format into list of segment lines for easier interpretation.
835-Accounts Receivable Claim Replay, (Remittance Advice)	Accounts Receivable, v1.7, p4
835-Accounts Receivable Standard Adjustment/Reason Codes	Accounts Receivable, v1.6, p4

Materials you need are on hand.

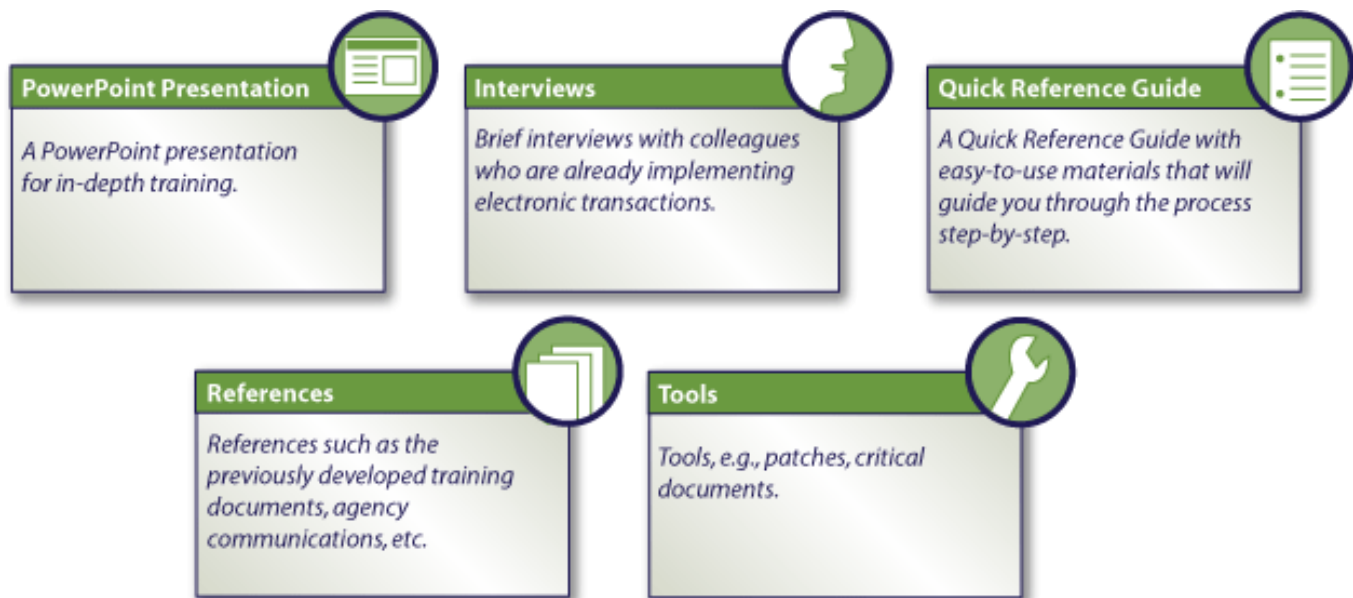
In the past year, IHS has developed four training documents:

1. [HIPAA Compliance: Business Transactions](#) (for Area HIPAA Coordinators)
2. [Trailblazers Medicare Part A: 837 Testing and Production Procedures](#) (sent to all Area Offices)
3. [Trailblazers Medicare Part B: 837 Testing and Production Procedures](#) (sent to all Area Offices)
4. [HIPAA 835 Testing and Production Procedures](#) (sent to all Area Offices)

During the next three months there will be additional materials. They will be divided into four topics:

- Preparing to Test the 837
- Testing the 837
- Reading 837 Error Reports and Making Corrections
- Testing and Posting the 835 Remittance

For each topic, you will receive an e-mail like this one that provides an overview of the topic. Included in the e-mail will be links to other materials.



All of the materials will be posted on a new web site, especially developed for those involved in Electronic Transactions. That way you can access the materials at any time right from your desktop.

At the conclusion of the three months, all the materials will be compiled into a binder with a CD-ROM for future refresher or new employee training.

Problem solving is ongoing and best practices are being developed. In addition to regular internal technical meetings, OIT holds a regular national I/T/U conference call to discuss Area status reports, issues and solutions, and best practices. If you would like to participate in this call, please notify the [ITSC Help Desk](#).

Help is available.

The Area Office is the place to start when you have questions. If they are unable to answer you questions, contact the [ITSC Help Desk](#).

IHS tracks the testing status of business transactions. To see the current testing status, [click here](#).

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Summary

This newsletter is one in a series of six on the topic "Electronic Transactions . . . It's Easier Than You Think." Each of the newsletters is associated with a PowerPoint presentation expands on the contents of the newsletter in a format that supports self-paced or group training. Even greater technical detail is presented in two Quick Reference Guides: "Working with the 837 Transaction" and "Working with the 835 Remittance Advice." Electronic versions of these materials are available on the IHS Electronic Transactions website at www.ihs.gov/AdminMngrResources/HIPAA/index.cfm. A training resources binder includes printed copies of these materials and a CD-ROM with electronic copies of the files.

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