

# Update

## HIPAA Compliance for Electronic Claim Submissions

The deadline for compliance with the HIPAA (Health Insurance Portability and Accountability Act of 1996) transaction and code set rules is October 16, 2003. The Centers for Medicare and Medicaid Services require that after October 15, 2003, all electronic claims be submitted in a HIPAA-compliant format. This article provides information for electronic submitters who will not be ready to submit HIPAA-compliant electronic claim transactions by October 16, 2003.

If you are approved for production and are submitting Professional (837P), Dental (837D), or Institutional (837I) claim transactions or are certified to submit claims in the NCPDP 5.1 pharmacy claim format, you are submitting HIPAA-compliant claims.

We recognize that, for a variety of reasons, some electronic submitters will not be ready to submit HIPAA-compliant electronic claims by October 16, 2003. We will, therefore, continue to accept, for a limited period, MassHealth-proprietary electronic claims from non-HIPAA-compliant providers who request an extension. If you obtain an extension, you will not have to switch your claims to paper while you focus your efforts on achieving HIPAA compliance for claim submissions.

In order to request an extension to the deadline, providers must contact us at the appropriate telephone number listed below as soon as possible, but no later than **October 15, 2003**, to report the earliest possible date they expect to begin testing. This date must be **no later than January 30, 2004**.

Pharmacy Providers: 617-423-9841  
All Other Providers: 1-800-438-4480

If you have confirmed a testing date, but believe that you will not meet your scheduled date, you must advise us of the new date upon which you will submit your initial test file.

### Confirmation of Extension

If you do not contact us by October 15, 2003, you may not be allowed to continue submitting proprietary electronic claims. Upon receipt of your call, we will send a confirmation letter documenting the information that you provided to us. This letter will confirm that you have been scheduled for testing and allow you to continue submitting electronic claims in the MassHealth proprietary format as you work toward HIPAA compliance.

### Providers who use clearinghouses and billing intermediaries to submit claims

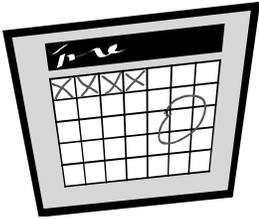
If you submit your claims through an intermediary, contact them now to determine their status on HIPAA compliance. A list of software vendors, billing intermediaries, and clearinghouses that plan to support HIPAA-compliant transactions to MassHealth is also available on our provider Web site. Go to: [www.mahealthweb.com](http://www.mahealthweb.com), then click on HIPAA. The list identifies vendors that are approved for production in the 837P, 837D, and 837I formats and those who have started testing or plan to start testing with us soon.

### Providers who submit paper claims

If you currently submit paper claims, but are working toward converting to HIPAA-compliant electronic claim transactions, please let us know when you expect to be ready to submit a test file. If you submit fewer than 2,400 claim lines a year, you may be interested in a free

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## HIPAA Compliance for Electronic Claim Submissions (cont.)



*The October 16, 2003, deadline for HIPAA compliance is fast approaching.*

software package we will provide called Provider Claims Submission Software (PCSS). This software will enable you to submit HIPAA-compliant electronic claims to MassHealth. For more information about PCSS, contact the HIPAA Support Center at 1-888-848-5068, or by e-mail at: [mahipaasupport@unisys.com](mailto:mahipaasupport@unisys.com). (See the related article on this page.)

### Questions

We look forward to the new efficiencies that HIPAA-compliance for transactions and code sets will bring to both the Division and MassHealth providers. If you have any questions about this information, call MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.

### Prior Authorization Online

The Division will soon be implementing an Automated Prior Authorization System (APAS). Prior Authorization (PA) requests for medical services (non-pharmaceutical) will be submitted and responded to via a Web interface. No special software or hardware is needed other than a computer and Internet connection! APAS will also provide a HIPAA-compliant platform (format and content) 278 EDI request and response conforming to the HIPAA-compliant 4010A standards for health care services that require a PA. In addition, APAS offers: the ability to electronically attach to the Web-entered PA request all documents (proprietary and any other documentation except X-rays and photographs) required to determine medical necessity, audit logs and edits. Support will be available Monday through Friday 8 A.M. to 6 P.M. More information about APAS will be available soon.



*For providers who currently have a practice management system, PCSS can extract data from it, if the data is in national standard format.*

## Provider Claims Submission Software

MassHealth will offer a free resource to providers: Provider Claim Submission Software (PCSS), which will enable providers to submit HIPAA-compliant, electronic claims directly to MassHealth. In a time when many vendors are not meeting the HIPAA deadline, providers should seek other solutions. PCSS will help small and mid-level providers ensure that their MassHealth claims are not affected by vendor readiness.

For providers who currently have a practice management system, PCSS can extract data from it, if the data is in national standard format (NSF). Although providers will need a modem to use PCSS, Internet access is not required.

For those providers who do not have a practice management system, PCSS has a Direct Data Entry (DDE) option. With DDE, claims have to be entered manually. PCSS is easy to install and is user-friendly, and the MassHealth HIPAA Support Center is available to provide technical support for PCSS users.

For specific PCSS questions, please call the MassHealth HIPAA Support Center at 1-888-848-5068.

### Web Site Feedback

We value your opinion and strongly encourage your feedback. You may e-mail any suggestion you may have about our Web site by clicking on the "Feedback" button at the bottom of the page at: [www.mahealthweb.com](http://www.mahealthweb.com).

## New Outpatient Hospitals Payment Method

The Division recently announced that the payment methodology for services provided in Acute Outpatient Hospitals (AOH) and Hospital Licensed Health Centers (HLHC) is changing from Ambulatory Patient Groups (APG) to a Payment Amount Per Episode (PAPE) for claims with dates of service on or after October 1, 2003. There are no changes to the claims submission processes; however, each AOH and HLHC will receive a single PAPE for each episode (an episode represents one calendar day). For more information regarding this change, please refer to the 2004 Acute Hospital Request for Application (RFA). Below are some frequently asked questions about this topic.

### **Will there be a difference in how the claims are paid?**

Yes. Any episode (defined as a single calendar day) that has at least one claim line that adjudicates to a pay status will be paid a PAPE, regardless of the number or type of service provided to a member.

### **Will lab services be paid according to the PAPE methodology?**

No. All lab services will be paid according to the Division of Health Care Finance and Policy's Clinical Laboratory Services fee schedule. If a lab service is provided during an episode, it will be reimbursed separate from the PAPE.

### **Will there be any changes to the remittance advices?**

No. The format of the remittance advice is not changing. However, there will be only one payment for all non-lab services performed within a given episode. It will appear on the highest weighted, non-denied claim line.

### **Since only one payment per episode is being paid under the PAPE methodology, does the hospital need to resubmit denied claim lines within an episode for which payment has been received?**

Yes. It is extremely important that hospitals resubmit claim lines that denied even though the PAPE has been paid. As the PAPE for future rate years will be calculated using historical paid claims data, it is critical that hospitals re-submit **all** denied claim lines. Failure to resubmit these claims will significantly impact a future year PAPE.

### **Why are APG weights still appearing on the remittance advices despite being replaced by PAPE?**

While APGs are no longer being used as a payment methodology, they remain critical to the calculation of the PAPE.

### **Why is the payment changing from one line to another, without any net increase to the payment, when I resubmit a claim with denied lines?**

Because the PAPE is paid on the "consolidated to" line. The line on which it is paid changes when the "consolidated to" line changes. When an episode is resubmitted, and a formerly denied, higher weighted line is paid, the PAPE moves from the old "consolidated to" line to the new one. While there is no net increase to the total payment from this change, the adjustment is critical to the calculation of the future year PAPE.

If you have any additional questions concerning this information, please contact MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.



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## Electronic Funds Transfer

Electronic Funds Transfer (EFT), or "direct deposit," is the most efficient way for you to receive your MassHealth payments. Approximately 23% of you currently take advantage of this option. EFT deposits are made on a Friday, and are usually available to you no later than the following Monday. Electing EFT eliminates the possibility of lost, stolen, or damaged payment checks, increases the speed in which you have access to your payments, and is another step toward achieving a complete electronic solution. For more information on EFT, request a copy of All-Provider Bulletin 99, dated April 1997, by e-mail at: [mapublications@unisys.com](mailto:mapublications@unisys.com), or by fax at: 703-917-4943. Please be sure to include your provider number and the publication title on the request. You can use the same contact information to request the EFT application to sign-up immediately.

## Reduction in Paper Attachments

In our efforts to continue to reduce administrative burdens, the Division will no longer require providers to submit certain paper attachments with their claims. However, providers will be required to retain these forms on file, which will be subject to review on a case-by-case basis. This will enable electronic billers to increase the number of electronic claim submissions while decreasing paper submissions. For additional information, see All Provider Bulletin 125 (September 2003) and provider-specific bulletins.

## 837 Dental Claim Transaction

The Division covers only emergency dental services for MassHealth Limited members. If emergency services are provided to members with Limited coverage, the appropriate ICD-9-CM diagnosis code indicating an emergency service must be entered in the Claim Note Text segment of the 837D electronic claim. All claims for services provided to members with Limited coverage submitted without this information will be denied. Please refer to the 837D Companion Guide for details on entering this information on an 837 transaction. Companion Guides can be downloaded from our provider web site at: [www.mahealthweb.com](http://www.mahealthweb.com) (click on "HIPAA," then "HIPAA Testing"). If you have questions concerning this information, please call the MassHealth HIPAA Support Center at 1-888-848-5068.

## 837-Dental Claims Migration to 4010A Format

Effective October 16, 2003, the Division will accept electronic claims for dental services in the HIPAA-standard 837-Dental 4010A format. Providers who currently submit dental claims in the proprietary EMC format, or the 837 4010 format, must migrate to the 837-Dental 4010A claim format.

If you currently submit 837-Dental claims, you need to re-test with the 4010A format. Dental providers can prepare for re-testing with MassHealth by reviewing the 837D Implementation Guide, and downloading the Companion Guide from the MassHealth Provider Services Web site at: [www.mahealthweb.com](http://www.mahealthweb.com).

If you currently submit claims for dental services electronically via the EMC format, please see page one of this newsletter to find out how to request an extension that will allow you to continue to submit claims in this format during your transition to the 837-Dental format.

If you have any questions about this, contact the MassHealth HIPAA Support Center. (See below.)

## MassHealth Reminders

### HIPAA Support Center Contact Information

In August 2003, we created a toll-free telephone number for the MassHealth HIPAA Support Center. The telephone number is 1-888-848-5068 and is in operation from 8:45 A.M. to 5:00 P.M. Monday through Friday. You can also contact the MassHealth HIPAA Support Center via e-mail at: [mahipaasupport@unisys.com](mailto:mahipaasupport@unisys.com). For billing questions please continue to contact MassHealth Provider Services at 617-628-4141 or 800-325-5231.

### Third Party Liability Notification

Providers are reminded that third-party liability (TPL) notification letters are now mailed to the provider's doing business as (DBA) address, and not the informational mailing address, when a MassHealth member has primary insurance on file. This change was made as a result of the high volume of returned mail caused by incorrect informational mailing addresses on the provider file. Any change in address information should be reported to MassHealth Provider Enrollment and Credentialing by e-mailing: [maproviderupdates@unisys.com](mailto:maproviderupdates@unisys.com), or faxing the change to: 703-917-4933.