

Update

Momentum Continues Toward HIPAA Compliance

Transactions

The Division of Medical Assistance (Division) continues to move full steam ahead with our Health Insurance Portability and Accountability Act of 1996 (HIPAA) implementation activities, even though we received the one-year compliance extension for the Transaction Rule. Our first HIPAA compliant option, WebREVS (270/271—eligibility and response), was put into production in August. A second compliant member eligibility verification transaction option is scheduled for release in December. (See page 2 for more information.)

Trading Partner Agreements

Providers must sign a MassHealth Trading Partner Agreement (TPA) and return it to Electronic Data Systems (EDS) before conducting any standard HIPAA transactions with MassHealth. Remember, you need to sign the TPA only once. The MassHealth TPA is also available on our Web site at: www.mass.gov/dma (click on "HIPAA.")

Trading Partner Profile

Within the coming months you will be required to complete a Trading Partner Profile (TPP) form. This form seeks confirmation of which HIPAA-compliant transactions you would like to conduct, your readiness, and related contact information. This data is critical to the rollout and implementation of trading partner testing. You will receive more information about this soon.

Provider Education

We are outreaching to our provider community through an array of venues. Our message is a simple one; **all** providers need to be aware of the impact of HIPAA, even if they do not submit electronic claims. With varying degrees from payer to payer, HIPAA may affect your

internal business processes related to: member eligibility verification, treatment authorization, processing of claims, including paper claims, claim status inquiries, and the use of specific patient information.

Provider Associations

On August 21, 2002, we hosted a meeting with representatives from 15 of the Massachusetts provider professional associations. The goal of the meeting was to discuss many topics including provider preparedness, MassHealth's current HIPAA compliance status and future plans, as well as strategies for statewide provider education and communication.

Statewide Education Sessions

With the help of the provider associations, the HIPAA Education Coordinating Committee (HECC) scheduled 24 educational sessions for providers and others. They are being held throughout the state during the period from September 2002 through January 2003. The various provider associations are coordinating notification and registration functions for these events.

HECC was organized by the Massachusetts Health Data Consortium, and is a collaboration of health-care payers in Massachusetts who share a common purpose—to coordinate HIPAA readiness, communication, and education in the provider community.

Ongoing Efforts

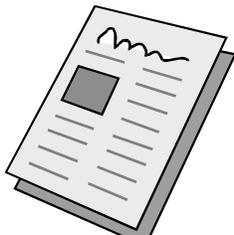
In the coming months, the Division will be in constant communication with you about HIPAA. We will continue to work with providers, their associations, and other payers, and share updated information as it becomes available.

On-line Claim Status and New REVS Option



Providers will be able to inquire about a claim by using the claim's transaction control number, MassHealth member identification number, or patient account number.

To use any of these new transactions, providers must sign a MassHealth Trading Partner Agreement (TPA), if one has not already been submitted.



A bulletin will be mailed to providers with instructions on how to request the REVS software.

In the next few weeks, the Division is scheduled to launch Web-based and PC software access options to verify the status of a claim. Electronic Data Systems (EDS), who will manage this function for the Division, will partner with several MassHealth providers to test and evaluate these new HIPAA-compliant claim status inquiry-and-response functions (also known as 276/277 transactions).

These applications will give MassHealth providers the ability to verify claim status via the Internet or PC software. There are no additional software requirements needed to access the Web-based application, since it makes use of existing Internet connections.

Providers will be able to inquire about a claim by using the claim's transaction control number, MassHealth member identification number, or patient account number. Information about the claim, such as the status (paid, denied, pended, or suspended), remittance advice date, billed amount, amount paid by MassHealth, service code, and units of service will be provided in the response.

Concurrently, EDS will also be rolling out a new Recipient Eligibility Verification System (REVS) PC software option. This product will generate HIPAA-compliant Eligibility Inquiry/Response Transactions (also known as 270/271 transactions).

This will enable providers to verify member eligibility by individual and batch inquiry methods.

Any provider can switch to REVS PC software to verify eligibility, and users of the current REVS PC software can upgrade to the new version, once they have a signed

Trading Partner Agreement (TPA) on file. A major enhancement contained in this software is a more sophisticated sorting of inquiries and responses using batch key functions. Reporting and search capabilities have also been improved. The new software is available free of charge to providers.

Important!

Providers must have a signed MassHealth Trading Partner Agreement (TPA) on file in order to use any of these new transactions. Please note that later in the calendar year, the current version of the PC software will be disabled, as will all access to REVS (except for the Eligibility Operator) if you do not have a signed TPA on file with the Division. However, until further notice, you can continue your eligibility transactions as usual.

Remember, once you sign a TPA, you are automatically eligible to access all MassHealth HIPAA-compliant transactions (although testing of some transactions may be required before full access is granted). Therefore, if you have already signed and returned a TPA, you do not need to complete a new one at this time.

The Division will be publishing an All Provider Bulletin shortly with instructions on how to request the REVS software from EDS, along with information on the claim status request and response transactions, a Specifications Addendum, and a TPA. All completed TPAs, whether for WebREVS or PC Software, should be returned to the EDS address contained in the bulletin.

The “New” Division of Medical Assistance

The Division recently completed a reorganization to better align its organizational structure with the needs of MassHealth providers, members, and the changing realities of the health-care marketplace. The new structure aligns a business unit with a member’s care needs to enhance policy development, coordination of care, and service delivery.

Under the reorganization plan, the Division has created several new business units and reallocated some functional responsibilities to business units already in existence before the reorganization.

We trust that this reorganization will enable us to meet the needs of all segments of the population we serve and support.

Tape Submitters

The Division will no longer accept electronic media claims (EMC) tapes after March 1, 2003, due to the dwindling market and manufacturing of round reel tapes.

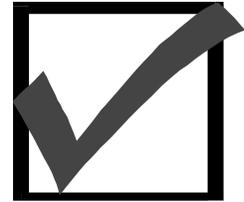
This means that providers who are currently using tapes to submit claims electronically must migrate toward diskette or telecommunications to submit claims.

MassHealth Provider Services is in the process of contacting all remaining tape submitters to discuss alternative options.

If you are interested in switching to telecommunications or disk submissions now, please call Electronic Claims Services at 617-576-4065; or e-mail maemc@unisys.com.

How to Prepare for HIPAA

- Familiarize yourself with the HIPAA regulations and implementation guides at: http://hipaa.wpc-edi.com/hipaa_40.asp and www.cms.gov/hipaa.
- Evaluate changes to:
 - office management systems
 - internal business practices
 - claim submission
 - claim response
 - claim status
 - member eligibility inquiry
- Talk with your IT staff, clearinghouse, software vendor, or billing intermediary, as applicable.
- Determine the timeline and cost for any necessary upgrades to existing software.
- Consult your professional/trade association for assistance with implementation of the regulations.
- Review Trading Partner Agreements and follow instructions for each payer.
- Train internal staff. Compliance with the Privacy and Security Rules are your responsibility.
- Stay current by reviewing all available materials from payers, professional associations, and CMS.
- Obtain payer-specific Companion Guides.
- When required, or when possible, test all transactions with payers before implementing production.



Preparation is the key to success in the new HIPAA world.

Several new business units have been created, and some responsibilities have been reallocated to existing business units.



The Division will no longer accept EMC tapes after March 1, 2003.

Frequently Asked HIPAA Questions

What are the important upcoming dates?

April 14, 2003—final compliance deadline for privacy standards.

April 16, 2003—submitters must be ready to begin coordinating testing with payers.

October 16, 2003—final compliance deadline for electronic transactions and code sets.

What is a Companion Guide?

A Companion Guide is used in conjunction with the HIPAA Implementation Guide. It details how a specific payer interprets the data elements, and the information required for processing claims.

Will there be a single, universal Companion Guide for ALL payers?

No, each payer will select the data elements they need to support claims processing from the HIPAA-allowable ones, and not all payers use the same data elements the same way. For example, the provider identifier for MassHealth will be the current seven-digit MassHealth provider number.

If providers are ready to submit HIPAA compliant claims prior to October 16, 2003, will MassHealth accept them?

Yes. Once a transaction is implemented, providers who have successfully completed testing with us, and have a signed TPA on file, can begin submitting claims.

Will MassHealth continue to support electronic claims in non-HIPAA formats?

Yes, we will continue to accept all of the current claim formats from providers who have filed an extension request until October 16, 2003.

I received a Trading Partner Agreement (TPA) from the Division. Is this agreement necessary for use of the new WebREVS 270/271 eligibility transaction, or for use when the 837 claims transactions are ready, or both?

Both, the TPA is required for WebREVS, and will be required for all other HIPAA compliant transactions as they become available, but it needs to be signed only once.

MassHealth

P.O. Box 9101
Somerville, MA 02145

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