




**MassHealth
All Provider Bulletin 239
November 2013**

TO: All Providers Participating in MassHealth
FROM: Kristin L. Thorn, Medicaid Director 
RE: **Affordable Care Act Operating Rules**

Background

Section 1104 of the Administrative Simplification provisions of the Patient Protection and Affordable Care Act (a/k/a Affordable Care Act, ACA) established new requirements for administrative transactions that will enhance the usefulness of existing HIPAA transactions and reduce administrative costs.

In Section 1104(b)(2) of the Affordable Care Act, Congress required the adoption of new operating rules for the health care industry. To create as much uniformity as possible in the implementation of electronic standards, Congress directed the U.S. Secretary of Health and Human Services to adopt a single set of operating rules for each transaction.

Applicable to both batch and real-time processing, the ACA Operating Rules promote

- building upon existing HIPAA batch transactions to further simplify the transactions; and
- encouraging an interactive network.

The operating rules do not apply to direct data entry or other non-standard web transactions.

**ACA Operating Rules
Schedule**

The U.S. Department of Health and Human Services will continue to issue new ACA Operating Rules through 2014. The rules address a number of issues related to administrative simplification and have various implementation dates. All HIPAA-covered entities are required to comply with the rules.

(continued on next page)

ACA Operating Rules

A detailed description of rules and their respective implementation dates are listed in the chart below.

Operating Rule	Description	Implementation
Eligibility & Claims Status Rule	Requires health plans to adopt standard infrastructure specifications (e.g., response time, down time, standard error codes, etc.).	January 1, 2013
Electronic Funds Transfer/Remittance Advice (EFT/RA) Rule	Requires health plans to adopt standard electronic funds transfer and electronic remittance advice enrollment forms, re-association of the 835 (Health Care Claim Payment Remittance Advice) and remittance advice, CCD+ Addenda file format to transmit payment information, and the adoption of standard business scenarios for Claims Adjust Reason Codes and Remittance Advice Remark Codes.	January 1, 2014
Health Plan Identifier Rule	Requires health plans to adopt a unique 10-digit identifier that must be used on HIPAA transactions; provides an option for non-covered entities to voluntarily adopt an Other Entity Identifier that can be used on HIPAA transactions. The rule also requires noncovered entities (interns, salaried physicians, etc.) to acquire a national provider identifier (NPI) and disclose it to submitters as required.	November 7, 2016 (large health plans)
Claims Attachment Rule	Not yet issued	TBD
Disenrollment/ Enrollment Rule	Not yet issued	TBD
Health Plan Premium Rule	Not yet issued	TBD
Referral Authorization Rule	Not yet issued	TBD

MassHealth will communicate the status of the implementation of each ACA Operating Rule once the rule has been evaluated and an individual approach defined.

(continued on next page)

Compliance

All HIPAA-covered entities are required to comply with the ACA Operating Rules within the mandated implementation dates defined for each of the rules. Standard HIPAA penalties apply for noncompliance. Penalties for health plans range from \$1 per covered life per day up to a maximum of \$20 per covered life per year. Penalties will double if false statements are submitted.

Rule Changes

Effective January 1, 2014, MassHealth will implement the EFT/RA Operating Rule. The following changes will take place:

- Providers must complete the standard EFT enrollment form when enrolling in EFT or modifying an existing EFT arrangement.
- Providers must complete the standard ERA enrollment form when enrolling in ERA or modifying an existing ERA arrangement.

Both forms may be uploaded via the Provider Online Service Center (POSC) or mailed to MassHealth at

MassHealth Customer Service
Attn: Provider Enrollment and Credentialing
P.O. Box 9118
Hingham, MA 02043

Note: MassHealth continues to require a “wet signature” on the EFT form. Providers must forward an original signed copy of the EFT form to the address specified on the form.

835 Transactions

Provider payments will be issued to the provider's financial institution via the CCD+ Addenda file format. Providers should contact their financial institution to confirm that the institution is ready to support the new file format.

MassHealth will continue to provide the voucher number and the invoice/remittance advice number to enable providers to re-associate the remittance and the payment. In addition MassHealth will provide the Trace Re-association Number segment in the 835.

For information about MassHealth's standard re-association data please refer to the EFT re-association job aid at <https://massfinance.state.ma.us/VendorWeb/MassHealthProviderJA.asp>.

Providers may view the updated Claim Adjust Reason Codes and Remittance Advice Remark Codes on the 835. The Claim Adjust Reason Codes and Remittance Advice Remark Codes will be made available before 1/1/14.

Other 835 Modifications

In addition to adopting the standard EFT/RA Operating Rule requirements, MassHealth also will make modifications to the 835. In fall 2013, providers may view “voids and adjustments” on the 835 at both the detail-line and header level in a HIPAA-compliant manner. The level of detail of the reversal will be based upon the level of detail of the original payment.

Providers should ensure that their systems and business operations are able to support this change.

Providers may test the new recoupment modifications by contacting MassHealth Customer Service at 1-800-841-2900.

Questions

Please visit the ACA website at <http://www.mass.gov/eohhs/provider/insurance/masshealth/aca/> or the CAQH website at http://www.caqh.org/ORMandate_EFT.php to view more information on the Operating Rules.

If you have any other questions about the information in this bulletin, please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.
