



HIPAA

Another Deadline Come & Gone !!!

The Electronic Transaction Rule requires all health plans to accept all claims in a standard electronic data format (called ANSI 4010), and all transmissions must be submitted in this format, by the extended deadline of October 16, 2003. However, recent reports show that a majority of national claims are still not being submitted in this format and Medicare has already announced that they will continue to accept non-HIPAA compliant claims for a limited time after the deadline.

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Avanta was approved and is a NHIC Southern and Northern California approved vendor six months ahead of the HIPAA deadline. We released an update that includes the changes necessary for ANSI 4010 compliance, and we have been visiting with every client to add these new features and updates.

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As a covered entity under HIPAA, you can assign ProxyMed as your Business Associate (BA). In this role, they will be responsible for converting your current claims format (IMS 4.0) to the HIPAA compliant format (ANSI 4010). For no charge, you may download the ProxyMed BA Agreement from the ProxyMed website (www.proxymed.com), which has already been executed. This will allow you to continue transmitting claims to them in the current format.

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The Avanta system checks that all required demographic, ledger, and provider file fields are
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populated, and strips out many of the illegal characters that may be contained within these fields. However, as Medicare and Proxymed continue to make changes to their systems to accommodate this new format, some claims are being rejected and even deleted as these standards are tightened.

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Many of you have experienced problems with your electronic transmissions because of these required format changes. A new Medicare electronic issue is a result of specific characters in the text of a memo (not lead in characters) such as "#, [, &" that cause the entire electronic file to be deleted. Therefore it is very important that you pay close attention to the reports you receive back from Medicare and Proxymed to assure your files are being received and more importantly processed.

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We have also received several calls regarding an EDI Submitter Newsletter or a third party mailing/fax solicitation regarding the upcoming HIPAA deadline. The information you may have received seems to suggest that after the October 16, 2003 deadline, Medicare will not accept paper claims. What they fail to explain is that there are exceptions for "small providers". The term "small provider" is defined as: A provider of services with fewer than 25 full time equivalent employees. If your office has fewer than 25 full time employees, you are exempt from having to transmit your claims electronically and will be able to continue sending paper claims. If your office has more than 25 full time employees you will be required to begin transmitting your claims electronically to Medicare after the deadline.

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If you have any questions about HIPAA, the Electronic Transaction Rule deadline, or electronic/paper billing, please call Avanta.