

Strategies in Completing the ASCA Compliance Extension Form



Presented by:

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Companies Represented



◆ *Boundary Information Group*

- Virtual consortium of HIS consulting firms advising hospitals and health systems, medical groups, health plans, and vendors
- Consultants hold leadership positions in WEDI and HIPAA standards groups

◆ *Davis Wright Tremaine LLP*

- One of the largest law firms in the U.S. and has a national full-service health law practice
- Dedicated HIPAA practice group; first law firm to join WEDI

◆ *Margret\A Consulting, LLC*

- Health information management and systems consulting firm building strategies for the digital future of healthcare information
- Experience parallels HIPAA since conceived in 1992

Agenda



- ◆ **Background on ASCA**
- ◆ **WEDI Compliance Task Force**
 - ◆ **Preparing the Plan**

Background on Administrative Simplification Compliance Act




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Key ASCA Provisions



- ◆ Provides capability of requesting an extension for compliance with transactions to October 16, 2003
- ◆ Requires submission of a compliance plan by **October 15, 2002**, to include testing of transactions by April 16, 2003
- ◆ Prohibits paper Medicare claims after October 16, 2003, except for very small providers or suppliers

The Plan shall be a summary:

- 
- ◆ An analysis reflecting extent to which, and reasons why, covered entity is not in compliance
 - ◆ A budget, schedule, work plan, and implementation strategy for achieving compliance
 - ◆ Whether covered entity plans to use a contractor or other vendor to assist in achieving compliance
 - ◆ Timeframe for testing that begins not later than April 16, 2003

Submission

- ◆ **Plans may be submitted electronically (in PDF) or on paper**
 - Electronic submission encouraged to obtain confirmation number
 - No other approval of submitted compliance plan will be provided
- ◆ **Model form from CMS:**
 - www.cms.hhs.gov/hipaa/hipaa2/ASCAForm.asp
 - You may also use your own form
- ◆ **Constitutes a submission to the government**
 - Accuracy is important

Analysis



- ◆ **National Committee on Vital and Health Statistics (NCVHS)** – public advisory body to HHS
- ◆ **Shall regularly publish . . .** reports containing effective solutions to compliance problems identified . . . addressing the most common or challenging problems encountered by persons submitting such plans

Protection of Information



- ◆ **Material redacted to prevent disclosure of:**
 - Trade secrets
 - Commercial or financial information that is privileged or confidential
 - Other information the disclosures of which would constitute a clearly unwarranted invasion of personal privacy

- ◆ **Otherwise, FOIA applies**

Enforcement

- ◆ A covered entity who fails to submit a plan and is not in compliance **may** be excluded **at the discretion of** the Secretary of HHS from participation in Medicare
- ◆ Does not apply to covered entities who:
 - Submit a plan; or
 - Who are in compliance by **October 16, 2002**
(You do not have to submit a plan if you will be compliant but one or more of your trading partners will not be compliant)
 - Are a small health plan

Why Extension Needed

	Now – October 15, 2002	October 16, 2002 – October 15, 2003	October 16, 2003 – Future
No Extension Filed	Use current transactions in either standard	Use 2000 Standard	Use 2002 Standard
Extension Filed	Use current transactions		Use 2002 Standard

- ◆ **2000 Standard** is the May 2000 version of the X12N 4010 Implementation Guides referred to in the August 17, 2000 HIPAA Transactions Regulation and includes use of NDC codes instead of J Codes
- ◆ **2002 Standard** refers to the October 2001 Addenda to the X12N 4010 Implementation Guides (or “DSMO changes”) and deletion of the NDC codes, which was proposed as a modification on May 31, 2002.
- ◆ The no extension timeline assumes that the effective date of the new 2002 Transactions Final Rules is September 16, 2002

Intent of Extension




- ◆ Provide covered entities more time to build, test and successfully implement the new Final Electronic Transactions and Code Sets required by HIPAA
- ◆ Provides assurance that covered entities have plans in place that will allow them to be compliant by the new deadline of October 16, 2003

Not Modified/Affected



- ◆ **October 16, 2003 deadline for small health plans to comply with Transactions and Code Sets regulation**
- ◆ **April 14, 2003 deadline for provider, plan,* or clearinghouse to comply with Privacy regulation**
 - * **April 14, 2004 deadline for small health plan to comply with Privacy regulation**

Electronic Medicare Claims

- 
- ◆ **HHS prohibited from paying paper Medicare claims after Oct 16, 2003**
 - ◆ **Secretary may grant waiver:**
 - **if no method available for submission of claims in electronic form (e.g., claims attachments)**
 - **for small provider of services or supplier**
 - provider of services with fewer than 25 FTEs
 - a physician, practitioner, facility or supplier with fewer than 10 FTEs
 - ◆ **Beneficiary may file paper claims on own behalf**

Workgroup for Electronic Data Interchange



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Boundary Information Group

Chair, Workgroup for Electronic Data Interchange

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- ◆ **Nonprofit Trade Association, founded 1991**
- ◆ **213 organizational members**
 - **Consumers, Government, Mixed Payer/Providers, Payers, Providers, Standards Organizations, Vendors**
- ◆ **Named in 1996 HIPAA Legislation as an Advisor to the Secretary of DHHS**
- ◆ **Website: www.wedi.org**
- ◆ **Strategic National Implementation Process (SNIP) - snip.wedi.org**
- ◆ **WEDI Foundation formed in 2001**
- ◆ **Steven Lazarus, WEDI Chair**



Compliance Task Force Purpose

- ◆ In response to the passage of HR 3323, develop recommendations on form design, content, dissemination, and related issues
- ◆ Task Force participants represented cross-section of industry
- ◆ Fast turn around time critical
- ◆ HHS had to release model compliance form by end of March, 2002



Compliance Task Force Results/Process

- ◆ Developed both recommendations and a draft “model compliance form” in only one month
- ◆ Solid industry consensus on major issues
- ◆ Met with CMS and NCVHS officials
- ◆ Approved by WEDI BOD

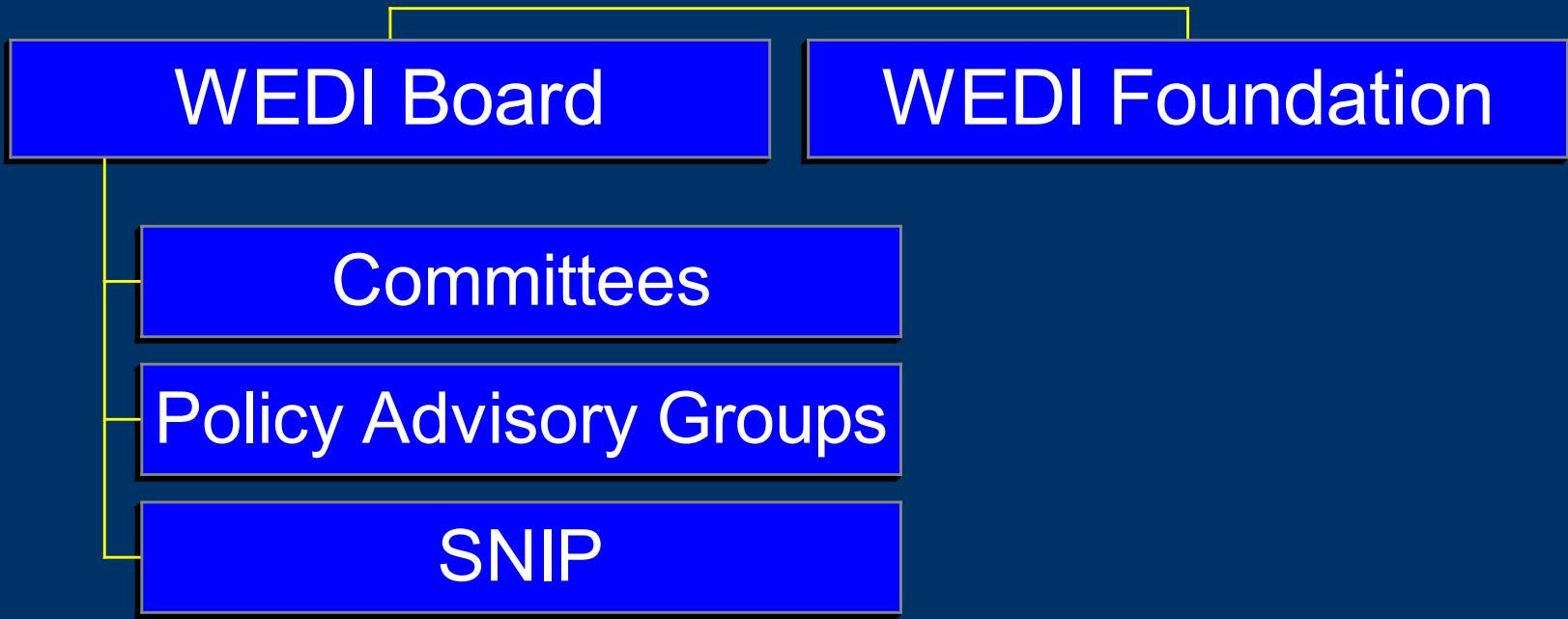


Compliance Task Force Key Recommendations

- ◆ Keep it simple!
- ◆ “One size fits all”
- ◆ Electronic and paper
- ◆ Model form as tool to assist in developing compliance plans
- ◆ Receipt is equivalent to being granted extension
- ◆ Form to raise issues for NCVHS/CMS, not to challenge submitters
- ◆ CMS is to develop form, instructions, glossary of terms,
 - comprehensive resources



Functional Relationships





Policy Advisory Groups

- ◆ **Develops industry consensus recommendations to WEDI Board and DHHS**
 - NPRM
 - Initial Final rule
 - Other (e.g., periodic meetings with DHHS)
- ◆ **Future PAGs:**
 - Privacy Final Rule
 - Transactions Final Rules for NDC Codes and Addenda
 - Security Final Rule
 - Provider Identifier Final Rule
 - Health Plan Identifier NPRM
 - Attachments NPRM
 - Enforcement NPRM



WEDI SNIP

- ◆ **Strategic National Implementation Process**
- ◆ **Develops industry consensus for HIPAA implementation**
- ◆ **Includes over 100 volunteers in leadership positions**
- ◆ **Has 5000 plus participants on the LISTSERV**
- ◆ **Presents and receives HIPAA implementation advice through snip.wedi.org and conferences**
- ◆ **Reaches to local areas through Regional SNIPs**
- ◆ **Formal RSA application process (about 25 RSAs)**



SNIP Deliverables

- ◆ White papers
- ◆ Audio and Web conferences
- ◆ Quarterly WEDI SNIP conferences
- ◆ WEDI SNIP Forum
 - Chicago, September 9-11, 2002
- ◆ WEDI SNIP HIPAA Implementation Summit
 - Phoenix, November 18-20, 2002
- ◆ WEDI National Conference
 - May, 2003



Transactions White Paper

- ◆ Sequencing
- ◆ Front-End Edits (draft)
- ◆ Clearinghouses Transactions and Connectivity (draft)
- ◆ Data and Code Set Compliance
- ◆ Trading Partner Agreements



White Paper, Con't.

- ◆ **Impact on DDE Services (draft)**
- ◆ **Testing and Certification**
- ◆ **Translator Selection**
- ◆ **Business-to-Business**
- ◆ **National Drug Code (NDC)**



Security and Privacy White Papers

- ◆ Awareness training and education
- ◆ Audit trail clarification
- ◆ Organizational change management
- ◆ Certification
- ◆ Vendor technologies and interdependencies
- ◆ Small practice implementation
- ◆ Access and amendment
- ◆ De-identification
- ◆ Minimum necessary
- ◆ Notice, consent, and authorization
- ◆ Paper versus electronic records
- ◆ Preemption
- ◆ Policies and procedures



Education Sub-Workgroups

- ◆ State and Regional Efforts
- ◆ Large Provider Education
- ◆ Small Provider Education
- ◆ Health Plan Education
- ◆ Employer Education
- ◆ Vendor Education
- ◆ Pharmacy Education
- ◆ Web Initiatives



http://snip.wedi.org



Strategic National Implementation Process Home Page - Microsoft Internet Explorer

File Edit View Go Favorites Help

Address Links

Strategic National Implementation Process

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<http://snip.wedi.org>

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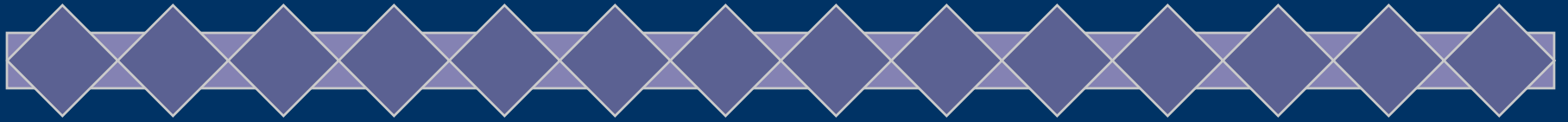
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Internet zone

Preparing the Plan



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1. Visit the CMS Web Site



- ◆ www.cms.hhs.gov/hipaa/hipaa2/ASCAForm.asp
- ◆ Review the general instructions
- ◆ Read any FAQs of interest
- ◆ Save/print a copy of the form to review and draft your compliance plan

2. Determine who is included

- ◆ All providers, health plans, clearinghouses
- ◆ Multiple related covered entities,
- ◆ operating under a single implementation plan,
- ◆ may file one plan

For group

Section A: *Covered Entity* and Contact Information.

1. Name of *Covered Entity* 2. Tax Identification Number 3. Medicare Identification Number(s)

3. Determine who will sign



- ◆ Person authorized to request extension for all listed covered entities
- ◆ May be:
 - Corporate officer
 - Individual physician
 - Business/practice manager
 - Other individual *who is responsible for certifying that the information provided is accurate and correct*

4. Identify reason for filing



Section B: Reason for Filing for This Extension

10. Please check the box next to the reason(s) that you do not expect to be compliant with the HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160, 162) by October 16, 2002. Multiple boxes may be checked.

- Need more money
- Need more staff
- Need to buy hardware
- Need more information about the standards
- Waiting for vendor(s) to provide software
- Need more time to complete implementation
- Waiting for clearinghouse/billing service to update my system
- Need more time for testing
- Problems implementing code set changes
- Problems completing additional data requirements
- Need additional clarification on standards
- Other

5. Estimate cost of compliance

Excludes
Privacy and
Security

In menu the range of your estimated cost of compliance with the HIPAA
Transactions and Code Sets standards (45 C.F.R. Parts 160, 162):

Less than \$10,000
\$10,000 - \$100,000
\$100,000 - \$500,000
\$500,000 - \$1 million
Over \$1 million
Don't know

- ◆ Understanding the regulations
- ◆ Conducting an assessment
- ◆ Developing a work plan
- ◆ Contacting your vendors
- ◆ Determining trading partner strategies
- ◆ Upgrading development/installation costs
- ◆ Acquiring additional hardware/telecom
- ◆ Testing (internal, external: provider – clearinghouse – payer)
- ◆ Training

6. Describe implementation strategy

◆ All questions:

– Yes/no

Yes No

– Fill in dates:

Projected/Actual Start or
Completion Date

Implementation Strategy Phase One -- HIPAA Awareness

- ◆ Obtain information about HIPAA electronic transactions and code sets standards
 - *Read the regulation*
 - *Obtain the implementation guides*
- ◆ Discuss this information with your vendors
 - *What standards?*
 - *Content or format?*
 - *Transmission capability?*
 - *Cost?*
 - *When?*
- ◆ Conduct preliminary staff education

What Standards?

Representative Vendors

Transaction	Federal Regulatory Contractual Obligation	Additional Cost	Not Available
837 Claim	√		
835 Remittance	√		
270/271 Eligibility		√	
276/277 Status Inquiry			√
278 Pre-Cert			√

Content or Format?

Find delimiter

Last, first

Street address

City

State

Zip

Put country code here

Last

First

Street address

City

State

Zip

Country Code

Transmission Capability?

- ◆ Control segments
- ◆ (Application) data segments

004010X096 • 837 • 2000A • PRV
BILLING/PAY-TO PROVIDER SPECIALTY INFORMATION

ASC X12N • INSURANCE SUBCOMMITTEE
IMPLEMENTATION GUIDE

REQUIRED	PRV02	128	Reference Identification Qualifier Code qualifying the Reference Identification	M	ID	2/3
----------	-------	-----	--	---	----	-----

ZZ is used to indicate the "Health Care Provider Taxonomy" code list (provider specialty code) which is available on the Washington Publishing Company web site: <http://www.wpc-edi.com>. This taxonomy is maintained by the Blue Cross Blue Shield Association and ASC X12N TG2 WG15.

CODE	DEFINITION
------	------------

ZZ	Mutually Defined
----	------------------

REQUIRED	PRV03	127	Reference Identification Reference information as defined for a particular Transaction Set or as specified by the Reference Identification Qualifier	M	AN	1/30
----------	-------	-----	---	---	----	------

INDUSTRY: Provider Taxonomy Code

ALIAS: Provider Specialty Code

Implementation Strategy Phase Two -- Operational Assessment

- ◆ **Inventory the HIPAA gaps in your organization**
- ◆ **Identify internal implementation issues and develop a work plan to address them**
- ◆ **Consider and decide whether or not to use a vendor or other contractor to assist you in becoming compliant**

ASC X12N ≠ UB-92|HCFA 1500

Example

- ◆ UB-92 Form Locator 1, Line 1
- ◆ EMC Record Type 10, Field No. 12, X(25) L
 - Provider Name, Address, Telephone Number
- ◆ 837 V4010
 - Loop ID 2010AA
 - Ref. Des. NM103
 - Data Element 1035
 - Name Last or Organization Name
 - AN 1/35

Gaps

- ◆ Collected in information systems accessible to patient accounting system as discrete data elements
- ◆ Other data element is recorded in a field
- ◆ Collected in non-discrete manner, e.g., “notes” fields or standalone systems
- ◆ Collected on paper
- ◆ Not collected

Patient Name Jane Doe	
Patient Address	
Date of Birth	Next of Kin
Insurance	
XXX	Allergy St. Thomas Aquinas
XXXXX	

Sample: Data Elements Captured and Not Captured; by Transaction Type

	Total Elements	Not Applicable	Remaining Data Elements Used	Electronically Captured	% of used	Not Captured at all	% of used	Captured on Paper Only	% of used
All Transactions	914	282	632	346	55%	161	25%	124	20%
837 Institutional Claim	399	96	303	168	55%	93	31%	41	14%
837 Professional Claim	503	181	322	200	62%	78	24%	44	14%
835 Remittance	125	7	118	41	35%	35	30%	42	36%
270 Eligibility Inquiry	71	6	65	46	71%	17	26%	2	3%
271 Eligibility Response	89	4	85	52	61%	25	29%	8	9%
276 Status Inquiry	44	4	40	31	78%	7	18%	2	5%
277 Status Response	54	4	50	31	62%	9	18%	9	18%
278 Referral/ Certification	141	50	91	58	64%	14	15%	19	21%

Sample: Hospital A Use of Vendor X Billing System, by Data Elements Not Captured

ROW #	NAME	DESCRIPTION	8 3 7 1	8 3 7 P	8 3 7 D	8 3 7 5	2 7 0	2 7 1	2 7 6	2 7 7	2 7 8	Comments
1	Adjusted Repriced Claim Reference Number	Identification number, assigned by a repricer, to identify an adjusted claim	X	X								
2	Ambulance Certification Code			X								
3	Ambulance Certification Condition Code Indicator	Y/N code indicating whether the certification condition applies		X								
4	Ambulance Certification Patient Condition Code	Condition of patient requiring ambulance transportation		X								
5	Ambulance Transport Code			X								
6	Ambulatory Patient Group Number	Identifier for APG assigned to claim		X								
7	Assumed or Relinquished Care Date	Date care was assumed by another provider, or date provider ceased care		X								

Sample Work Plan

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Compliance Plan for (Name of Entity): _____							(Billing System): _____					
2	Date Compliance Plan filed with CMS: _____							Filed by: _____			Date: _____		
3	Filed as (name of multiple related covered entities if filed under one implementation plan): _____												
4													
5	837 Institutional Claim												
6		Provider		Vendor		Medicare		Medicaid		Blues		Commercial	
7	Task	Start	End	Start	End	Start	End	Start	End	Start	End	Start	End
8	Obtain implementation guides												
9	Obtain vendor strategies												
10	Obtain payer strategies												
11	Evaluate clearinghouse services												
12	Discuss with staff												
13	Inventory gaps in transactions use												
14	Inventory gaps in data collection												
15	Determine consultation required												
16	Analyze cost/benefit												
17	Receive billing system upgrade												
18	Install any HW/SW/telecomm												
19	Install billing system upgrade												
20	Create any required interfaces												
21	Review data gaps												
22	Modify work flow												
23	Internal system testing/certify	04/16/03											
24	Draft trading partner agreement												
25	External Test/B2B												
26	Train staff on modifications												
27	Go live		10/16/03										


Implementation Strategy Phase Three --- Development and Testing

- ◆ **Finalize development of applicable software and install it**
- ◆ **Complete staff training on how to use the software**
- ◆ **Start and finish all software and systems testing**

Internal Testing

- ◆ **Does upgrade address all data gaps?**
- ◆ **Are bi-directional interfaces working?**
 - **Does the front end (admissions/registration) system communicate to the back end (patient financial/accounting system)?**
 - **Does the back end communicate with the front end?**
- ◆ **Are operational and work flow changes needed? Working?**

External Testing

- 
- ◆ **Six levels of transactions testing:**
 - Syntax integrity according to X12N
 - Implementation guide requirements (e.g., size, attributes)
 - Balancing of amounts
 - Code sets and valid values
 - Situational requirements (e.g., Medicare crossover)
 - Specialty line of business requirements (e.g., DME)
 - ◆ **Seventh level, B2B, testing with trading partners:**
 - Confirms accurate function of systems
 - Entity specific focus on areas of greatest risk
 - Round trip test to insure integrity
 - ◆ **Plan on three months per transaction**
 - Test scenarios available for 837 from www.claredi.com

Certification

- ◆ **Third party certification**
 - Accelerates point-to-point testing
 - Public statement creates objectivity
 - Verifies compliance
 - Reduces disputes
- ◆ **Consider requiring all partners to certify prior to B2B testing**
- ◆ **Assure clearinghouses will certify:**
 - Transactions you send to them
 - Transactions they send on to payer

Trading Partner Agreement

◆ Companion documents for each:

- Implementation guide
- Line of business

◆ Clarifies:

- Communication details, e.g.,:
 - Use of extended characters
 - Submitter ID
 - Acknowledgement of receipt
 - Size of batch
- Testing requirements
- Financial arrangements
- Security requirements
- Confidentiality statements

Must not:

- Change definition, data condition, or use of a data element or segment
- Add any data elements or segments to maximum defined data set
- Use any code or data elements that are marked “not used” or not in implementation guide
- Change meaning or intent of standard’s implementation specification

7. Enter plan and submit

CLICK HERE TO
SUBMIT
ELECTRONICALLY

CLICK HERE TO CLEAR
PLAN

FOR PAPER SUBMISSIONS:

Please mail paper versions of this model compliance plan to:

Attention: Model Compliance Plans
Centers for Medicare & Medicaid Services
P.O. Box 8040
Baltimore, MD 21244-8040

CMS will not provide an acknowledgment of receipt of paper submissions of the model compliance plan. For proof of delivery, we suggest that you use the United States Postal Service.



8. Achieve Transactions Benefits

- ◆ **Productivity:** Reduced telephone wait or repeated call back for eligibility/pre-cert. Electronic remittance posting. Error correction and rebilling minimized with one standard.
- ◆ **Cash flow:** Co-payments collected up front; claims processed faster, claims status inquiry automatic/timely.
- ◆ **Collections:** Financial counseling initiated sooner. Collections fees reduced.



- ◆ **Bad debt:**
 - Fewer denials for lack of preapproval
 - *(Depends on health plan cycle: enrollment/premium payment – eligibility information – acceptance of risk)*
 - Fewer denials for missing information or late filing
- ◆ Clearinghouse fees may even be eliminated when transactions are transmitted directly to health plans



Questions?