

# Extending Your Compliance Deadline for Transactions & Codes Sets



## Developing your Compliance Plan for a Smoother Transition and to Avoid Potential Medicare Disbarment

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# Administrative Simplification Compliance Act [P.L. 107.105]

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- ◆ Affects Compliance with Regulation for Transactions & Code Sets
- ◆ Covered Entities [submitting plans by Oct 16, 2002] shall not be considered in noncompliance ...before Oct 16, 2003

# Conditions Regarding Extension

- ◆ Submission [of a plan for compliance] to the Secretary of HHS not later than Oct. 16, 2002
- ◆ Submission must contain a summary of how the person will come into compliance not later than Oct. 16, 2003

# The Plan shall be a summary containing:

- (A) An analysis reflecting the extent to which, and the reasons why, the person is not in compliance
- (B) A budget, schedule, work plan, and implementation strategy for achieving compliance

## The Plan Shall be a Summary: (cont.)

- (C) Whether the person plans to use or might use a contractor or other vendor to assist the person in achieving compliance
- (D) A timeframe for testing that begins not later than April 16, 2003

# Submission and Analysis

- ◆ Plans may be submitted electronically
- ◆ Model Form provided by March 31, 2002
- ◆ HHS shall furnish a sample of Plans for analysis by NCVHS
- ◆ NCVHS shall publish ... reports containing effective solutions to compliance problems identified...addressing the most common or challenging problems encountered by persons submitting such plans



# Protection of Confidential Information

- ◆ Material redacted to prevent disclosure of:
  - Trade secrets;
  - Commercial or financial information that is privileged or confidential; and
  - Other information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy
- ◆ Otherwise, FOIA applies

# Enforcement

- ◆ Failure to submit a plan; and is not in compliance MAY be excluded at the discretion of the Secretary from participation in Medicare
- ◆ Does not apply to persons who:
  - Submits a plan; or
  - who is in compliance on or before Oct. 16, 2002



# Special Rules

## ◆ Not modified / affected:

- Oct 16, 2003 deadline for small health plans to comply with Part 162 (Transactions and Codes)
- April 14, 2003 deadline for provider, health plan\*, or clearinghouse to comply with Part 164 (Privacy)
- April 14, 2004 deadline for small health plan to comply with Part 164 (Privacy)

\* exception for small health plans

# 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
  - 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



# FAQ's - Intent of the Extension

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

# FAQ - Review & Approval

- ◆ The law does not require approval or disapproval of plans.
- ◆ Submission of an extension plan is sufficient to secure the one-year extension.

# Model Plan

- ◆ Available by March 31, 2002
- ◆ Published in Federal Register
- ◆ Available on several Web sites
- ◆ Covered entities may submit plans using other formats
- ◆ Model form only requires summary information

# Submission of Plan

- ◆ Electronic filing encouraged
- ◆ Plans submitted on paper are acceptable
- ◆ Instructions will be issued on where and how to submit compliance extension plans

# CE Compliant by Oct 16, 2002

- ◆ A covered entity will be considered compliant if it can send and receive compliant transactions and therefore would not need to submit an extension plan [even if trading partners submit a compliance extension plan and continue to communicate with nonstandard transactions]

# Testing

- ◆ Testing must begin by April 16, 2003
- ◆ Recommend testing begin ASAP
- ◆ Medicare will begin testing claim and several other transactions in Spring 2002
- ◆ Each State Medicaid Agency has own schedule
- ◆ Vendors are not covered and will need direction from customers



# WEDI Compliance Task Force



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## Recommendations to HHS

# WEDI 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 to release model compliance form by end of March



# WEDI 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

# WEDI 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



# WEDI Compliance Task Force

- Issues raised during process:
  - How will CMS handle/catalogue the volume?
  - Can organizations apply on behalf of multiple entities?
  - How will entities be “granted” their extension?
  - Will the public have access to these compliance forms?
  - NCVHS mandate to “report on solutions”
  - WEDI SNIP role in this process
- FAQ responded to most



# Status of WEDI-SNIP

## Recommendations to HHS

- ◆ Under consideration by HHS along with other input received from the public
- ◆ Announcement of final form of model plan, instructions and other related items will be made by HHS on their own schedule but before March 31, 2002



# WEDI-SNIP Recommendations to Covered Entities

- ◆ Begin immediately to develop your compliance extension plan
- ◆ Identify your gaps and dependencies on vendors / trading partners
- ◆ Get involved with your state or regional HIPAA organization [ ref. WEDI-SNIP Regional SNIP Affiliates]

# http://snip.wedi.org

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# Resources

- ◆ Thomas - Legislative Information (Library of Congress) [thomas.loc.gov](http://thomas.loc.gov)  
(search “Public Laws by Law Number” 107-105)
- ◆ “HIPAA Administrative Simplification Compliance Act (ASCA) Frequently Asked Questions” published by CMS
- ◆ [snip.wedi.org](http://snip.wedi.org)
- ◆ [www.nchica.org](http://www.nchica.org)
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