Clean Claims and eBill Companion Guide
Frequently Asked Questions

1. Q: What are the Effective Dates of the new paper billing forms?

A: Rule 133.10 ties the effective date of the professional and institutional billing forms to the policies published by the Centers for Medicare and Medicaid Services (CMS). Unless CMS publishes revised effective dates, the new forms are submitted for all bills generated on or after the effective date of the form. Additional information regarding the forms may be found at www.cms.hhs.gov.

CMS-1500 08-05 is effective April 1, 2007, required after July 1, 2007
UB-04 is effective and required May 23, 2007

2. Q: What is the Effective Date of the NPI?

A: The NPI is a situational requirement on paper billing forms and electronic bill transactions beginning May 23, 2007 for Texas workers' compensation. However, health care providers billing on the CMS-1500 12-90 through July 1, 2007 are not required to submit an NPI.

Division requirements are based on policies published by CMS. The current CMS contingency plan provides for a delayed implementation of the NPI requirement for small health care plans until 2008. Insurance carriers should not return a bill to a provider if an NPI is omitted until CMS and the Division has provided that direction.

3. Q: Will NPI and Taxonomy Codes be required for Medical EDI reporting to the Division?
A: Not at this time. However, insurance carriers are encouraged to include the NPI number in any Medical EDI reporting transactions. The Division will conduct stakeholder meetings and provide advance notice prior to any future changes to the Medical EDI edit specifications.

4. Q: Are all health care provider required to obtain an NPI?

A: No. All health care providers that are subject to HIPAA rules are required to obtain an NPI. This includes health care providers exchanging HIPAA regulated electronic medical bill information and health care providers billing Medicare. The Division is currently applying the CMS standards to Texas workers' compensation. In Texas workers' compensation, a provider that does not bill electronically, does not bill Medicare, and does not bill managed health is not required to obtain an NPI. However, under the eBill standards, all health care providers billing electronically are required to provide an NPI.

5. Q: Is the insurance carrier required to provide an 824 acknowledgement for electronic pharmacy bills submitted in the NCPDP Telecommunications Standard Version 5.1?

A: No. The eBill rules, §§133.500 and 133.501, do require insurance carriers to acknowledge each bill using an 824 acknowledgement transaction or in a mutually agreed upon format that contains the required components in a prescribed format.

6. Q: Is the insurance carrier required to provide an 824 acknowledgement for 275 electronic document transactions?

A: No. Insurance carriers may choose to acknowledge 275 transactions but are not required by rule to do so.

7. Q: Is an 835 transaction only required on electronic bills?

A: Yes. The eBill rules only require an 835 transaction for electronic medical bills.

8. Q: Are carriers required to communicate their clearinghouse of choice to the health care provider community?

A: Yes. An insurance carrier is required to communicate with health care providers related to medical billing by Division rule, §133.3 Communication Between Health Care Providers and Insurance Carriers. A health care provider may contact the insurance carrier directly, by phone, to verify coverage, claim and, medical bill contact information. The insurance carrier may provide the information for electronic medical bill processing at that time.

In addition, insurance carriers are required by Division rule to medical billing contact information to the Division. §124.2(n)(1)(B) requires each insurance carrier to provide contact information for medical billing administration functions performed by the insurance carrier either directly or through third parties. The health care provider may obtain this information through the Division website or through a link to the insurance carriers' website from the Division website.

9. Q: Division rules require a copy of the peer review be mailed with the EOB to the provider when a peer review is used as the basis of a denial. How will this process work with eBill?

A: The copy of the peer review report may be mailed or transmitted separately from the 835 transaction.

10. Q: How will the new 835 data be used during dispute resolution since there will not be detailed text explanations on reductions via the 835?

A: The Claim Adjustment Reason Code or jurisdiction reason code text is referenced as published by the Washington Publishing Company (ANSI codes) or the Division

(jurisdiction codes). The health care provider and the Division use the published text to extract the reason for the reduction or denial. The transition to eBill eliminates insurance carrier proprietary codes and modifications/additions to standard text.

11. Q: Will the Division be posting a list of health care providers and insurance carriers that have been granted waivers?

A: The Division will provide a list of entities that have been granted waivers on the Division website.

12. Q: Is Electronic Funds Transfer (EFT) also included in the eBill initiative?

A: EFT rules are not currently part of the January 1, 2008 eBill requirement. EFT rules may be adopted on or after January 1, 2008.

13. Q: Is Loop 1000B Payee Identification in the ANSI 835 format the physical address of the provider, or the mailing address, for example box 32 or 33 of the CMS-1500?

A: The address is the remittance address. It may be the mailing or physical address. It corresponds to box 33 of the CMS-1500 billing form.

14. Q: Does the NPI replace the Medicare Number required on hospital bills?

A: Yes. The NPI replaces the Medicare Number on bills generated on or after May 23, 2007.

15. Q: What is the difference between NPI and License Numbers in boxes 32 and 33 on the CMS-1500 form?

A: Box 32 represents the facility or location where services were rendered. If the facility/service location is a health care provider, the NPI of the facility/service location is populated in box 32a. If the facility/service location is a health care provider and has a state license, the state license is populated in box 32b.

Box 33 represents the Billing Provider. The Billing and Rendering Bill Provider may be the same entity. When the Billing and Rendering Bill Provider are the same entity, Box 33a represents the NPI of the Billing/Rendering Bill Provider and 32b represents the state license of the same. When the Billing and Rendering Bill Provider are different, Box 33 represents the Billing Provider. Box 31 represents the name of the Rendering Bill Provider. Box 33a represents the NPI of the Rendering Bill Provider and Box 33b represents the state license of the Rendering Bill Provider.

16. Q: What type of provider would not be eligible for an NPI?

A: All health care providers are able to obtain an NPI. Not all health care providers are required to obtain an NPI under CMS rules. Health care providers that bill in the

Medicare system (paper and electronic billing) and providers subject to the HIPAA rules are required to use an NPI.

17. Q: Can bills be returned to the provider (paper) or rejected (eBill) if an NPI is missing after May, 23, 2007?

A: Division instructions indicate that the NPI is a situational requirement and the NPI is implemented in accordance with CMS policies. CMS has indicated that a contingency plan is in place and compliance with NPI requirements will be monitored over the next several months. Insurance carriers should not return or reject a bill unless the insurance carrier has a reasonable basis which confirms that the health care provider is a covered entity required by CMS to submit an NPI number with the billing forms

18. Q: Are the new forms, NPI, and Taxonomy Code requirements based on date of service?

A: No. These are requirements for the new billing form. Services billed using the new forms should contain required information.

19. Q: If an original bill was submitted on an old form, does a reconsideration/appeal have to be submitted on the same version of the form?

A: A reconsideration request is submitted on the applicable form or in the applicable format based on the date the reconsideration is generated. For example, if the original bill is submitted on a CMS-1500 12-90 on January 1, 2007, a reconsideration submitted in August 2007 is submitted on the CMS-1500 08-05.

20. Q: Do the attachment requirements apply to paper documentation related to paper medical bills?

A: No. The eBill requirements and specifications apply to electronic documentation related to electronic medical bills. Health care providers may choose to apply the same standards to paper documentation that is related to paper medical bills or to documentation (paper or electronic) that is not related to a specific medical bill. When health care providers are using eBill standards for documentation that is not related to electronic medical bills, NB (no bill) may be populated in Electronic Medical Bill Identification Number field, see page 59 of the Clean Claim and eBill Companion Guide. NB might also be used as the first two characters of the Document Identification Number to indicate the document is not associated with an electronic medical bill.

21. Q: The paper billing form instructions refer to a Country Code in the state license field. What is the purpose of the Country Code?

A: Tax identification, state license, and NPI requirements apply to U.S. providers. For insurance carrier bill processing and state reporting, the same validation and requirements might not apply to non-U.S. providers for these fields. For example, a non-U.S. provider

may not have an IRS Employer Identification Number (FEIN). When a U.S. provider is submitting a bill, the state license number field includes a two-character U.S. State Code suffix that represents the state issuing the provider's license or certification. A non-U.S. provider populates a three-character Country Code to indicate the county issuing the provider's license or certification.

22. Q: Is an electronic medical bill transaction considered received if a provider sends a bill to their clearing house and the provider's clearinghouse does not send the bill to the insurance carrier's clearinghouse?

A: In the example, the first clearinghouse is an agent of the health care provider. If the health care provider's clearinghouse fails to submit a bill to the insurance carrier, the health care provider is responsible for that act or omission. The electronic medical bill is not considered to be submitted (sent) by the health care provider or received by the insurance carrier.

23. Q: If an insurance carrier contracts with a clearinghouse to process electronic medical bills and a bill review vendor to process medical bills, what entity is responsible for ensuring the electronic medical bill is routed to the correct bill review vendor? Can a bill review vendor submit an ANSI 277 transaction to the health care provider to indicate "we are not the bill review vendor"?

A: The insurance carrier or their agent (clearinghouse) is responsible for routing electronic medical bills to the correct processing agent (medical bill review vendor) once they are received and accepted. Since the health care provider is responsible for submitting the medical bill to the insurance carrier or the insurance carrier's designated agent, returning a 277 in the manner described to the health care provider in the manner described in the example would not be appropriate.

24. Q: If an insurance carrier contracts with multiple agents, who is responsible for ensuring the bill paid?

A. The insurance carrier is responsible for receipt, processing, and payment or denial of electronic medical bills. The insurance carrier is responsible for the acts or omissions of its agents if the insurance carrier contracts with companies to perform services related to electronic medical bill processing.

25. Q: Does Texas have a certification process to be completed by the provider and/or the payer for eBilling?

A: No. The Division does not intend to certify health care providers, insurance carriers, or their agents related to eBill processes. Testing and implementation requirements are agreed upon between trading partners.