CMS | **HIPAA**
Electronic Transactions & Code Sets

PROVIDER HIPAA CHECKLIST
Moving Toward Compliance

The Administrative Simplification Requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will have a major impact on health care providers who do business electronically, as well as many of their health care business partners. Many changes involve complex computer system modifications. Providers need to know how to make their practices compliant with HIPAA.

The Administrative Simplification Requirements of HIPAA consist of four parts:

1) Electronic transactions and code sets;
2) Security;
3) Unique identifiers; and
4) Privacy.

> **IMPORTANT:** It is up to you as the health care provider to see to it that your transactions are being conducted in compliance with HIPAA, whether or not you contract a third party biller or clearinghouse to conduct any of these transactions for you.

HIPAA does not require a health care provider to conduct all transactions listed under #1 electronically. Rather, if you are going to conduct any one of these business transactions electronically they will need to be done in the standard format outlined under HIPAA.

1. Determine if you are covered by HIPAA

Do you, or a third party billing company or clearinghouse, conduct any one of the following business transactions electronically?

➢ Claims or equivalent encounter information
➢ Payment and remittance advice
➢ Claim status inquiry/response
➢ Eligibility inquiry/response
➢ Referral authorization inquiry/response

❏ **YES** ➜ YOU ARE MOST LIKELY COVERED BY HIPAA. CONTINUE WITH THE CHECKLIST.

❏ **NO** ➜ YOU ARE MOST LIKELY NOT COVERED BY HIPAA. YOU DO NOT NEED TO CONTINUE WITH THE CHECKLIST.

2. If YES, assign a HIPAA Point Person who will be responsible for HIPAA

Your HIPAA Point Person can be your office manager or any other individual who will be responsible for HIPAA related activities. Make sure your HIPAA Point Person is given the authority, resources, and time to prepare your office staff for the impact of HIPAA on your practice. The checklist on the next page is designed to help your HIPAA person plan and prepare for HIPAA's electronic transactions and code sets requirements.

Checklist for HIPAA Point Person

Familiarize yourself with the key HIPAA deadlines

❑ April 16, 2003 – TESTING: You (or your software vendors) need to start testing your software and computer systems internally <u>no later</u> than this date. By testing this means ensuring your software is capable of sending and receiving the transactions you do electronically in the standard HIPAA format.

❑ October 16, 2003 – COMPLIANCE DEADLINE: This is the date you must be ready to conduct transactions electronically in the standard HIPAA format with your health plans / payers.

Know how HIPAA affects your office

❑ Determine if your software is ready for HIPAA (each health care provider is responsible for making sure the software they use will be compliant with HIPAA according to the key deadlines above).

❑ Speak with your practice management software vendors (or billing agent or clearing house if you use one) to assess which items under #1 you conduct on paper and which you conduct electronically. Determine what you will need to do differently. For instance, under HIPAA additional data may be required and data fields you use now may no longer be required.

❑ Ask your vendor how and when they will be making HIPAA changes and document this in your files.

❑ Remind your vendors you must start testing your systems <u>no later</u> than April 16, 2003. Similarly, if you use a third party biller or clearinghouse, remind them of this testing deadline.

Talk to the health plans and payers you bill

❑ Ask them what they are doing to get ready for HIPAA and what they expect you to do.

❑ Ask them if they will have a HIPAA companion guide that specifies their coding and transaction requirements that are not specifically determined by HIPAA (while HIPAA mandates standard transactions, some health plans may not require data elements for every field). For instance, ask your payers for billing instructions on how to code for services that were previously billed using local codes (under HIPAA local codes are eliminated).

❑ Ask them whether they will have "Trading Partner Agreements" that specify transmission methods, volumes, and timelines as well as coding and transaction requirements that are not specifically determined by HIPAA. These may also specify how HIPAA compliance testing and certification are to be done.

❑ Ask them about testing your software to make sure, for instance, that they will be able to receive a claim you submit with your updated software.

❑ If you use software or systems provided by the health plan / payer (such as on-line direct data entry) to conduct transactions, ask whether they intend on continuing to support these systems.

For more information on HIPAA please visit our website at http://www.cms. hhs.gov/hipaa/hipaa2, send us an e-mail at askhipaa@cms.hhs.gov, or call us at 1-866-282-0659.