



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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September 2003

TO: All Providers, Vendors, HMOs and Electronic Submitters

SUBJECT: Health Insurance Portability & Accountability Act (HIPAA)

EFFECTIVE: IMMEDIATELY

PURPOSE: Transaction and Code Set Implementation Schedule - Non-Pharmacy Claims and Remittance Advice

BACKGROUND: The Division of Medical Assistance and Health Services (DMAHS) and Unisys are very pleased to announce the availability of the July 2003 version of our HIPAA Companion Guide. This document represents the culmination of a five-year process and represents a significant milestone in our ongoing effort to adhere to the HIPAA transaction set requirements. HIPAA provides all healthcare entities a tremendous opportunity to realize many administrative and systemic benefits because it provides a national standard of transactions and code sets for the electronic exchange of healthcare data. DMAHS and Unisys welcome this historic transition and are committed to the implementation of all HIPAA transaction sets as the sole format for all state and federal programs processed through the Medicaid Management Information System (MMIS) at Unisys.

If you currently submit claims or encounters to Unisys electronically, we encourage you to obtain a copy of the HIPAA Companion Guide, located on the MMIS web site, <http://www.njmmis.com>. The HIPAA Companion Guide contains technical specifications and is intended for use by submitters/software vendors/billing agents, but not necessarily providers, unless the provider has technical staff onsite. As a result, it is not necessary for a provider to obtain a copy of this document. Normally, a provider will either purchase billing software or use a billing agent. Providers are encouraged to contact their software vendor or billing agent immediately and inquire of their HIPAA status.

As you may be aware, HIPAA mandates the use of standard electronic transactions and code sets effective October 16, 2003. DMAHS will meet this required implementation date as it relates to electronic claims, encounters and remittance advice transactions. If you currently submit claims to Unisys via paper, and are not interested in submitting claims electronically, you may continue to submit claims via paper under HIPAA. HIPAA does not require a provider to submit claims electronically.

Effective October 16, 2003, DMAHS will accept HIPAA-compliant claim transactions. However, if an entity (provider, HMO, vendor, billing agent) is not HIPAA-compliant as of that date, DMAHS will continue to process and pay claims and encounters using the existing proprietary electronic formats. This allowance will be granted, regardless of the date of service on the claim or encounter, until January 1, 2004. Starting January 1, 2004, the proprietary electronic formats will be discontinued unless the date of service for the claim or encounter is prior to January 1, 2004. If the claim or encounter has a date of service prior to January 1, 2004, the proprietary electronic format will be permitted until October 16, 2004, at which time all proprietary electronic formats will be discontinued, regardless of the date of service.

Regarding the electronic remittance advice, the DMAHS will continue to create these in the existing proprietary format after October 16, 2003. Providers will have the option to select the 835 or to continue receiving the remittance advice in the proprietary format. The DMAHS will replace the proprietary format with the HIPAA 835 effective January 1, 2004. This transition is being implemented to afford submitters the opportunity to primarily direct their efforts towards the claims-related transactions while continuing to receive an electronic remittance advice in the existing proprietary format.

The HIPAA Companion Guide describes the process for obtaining approval to submit HIPAA transactions to DMAHS. A requirement in this process is the procurement of a third party certification that the transactions being created are HIPAA-compliant. The HIPAA Companion Guide specifies several vendors that provide certification services and covers a variety of costs levels, including cost-free. In addition, DMAHS has contracted with EDIFICS and is making available on the Internet a means to test and certify HIPAA transactions for free, including the requirements that are specific to DMAHS, commonly referred to as "Level 7" under HIPAA. Although DMAHS is only requiring a certification through "Level 6" at this time, it is strongly suggested that you take advantage of this free service to test the specifics for Level 7. If you are interested in using this service, please refer to the following Internet address for more information: <http://www.hipaadesk.com/?unisys>.

With the exception of the National Council for Prescription Drug Programs (NCPDP) standards, which were implemented in July 2003, DMAHS will not be implementing any other HIPAA transactions at this time and will continue all proprietary electronic formats until further notice.

If you have any questions, please contact the HIPAA Coordinator for DMAHS, Michael Chiofolo, at 609-588-2759.

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