pennsylvania
DEPARTMENT OF PUBLIC WELFARE

MEDICAL ASSISTANCE BULLETIN

ISSUE DATE	EFFECTIVE DATE	NUMBER
June 8, 2010	June 8, 2010	99-10-07

SUBJECT:	BY
Announcing the Federally Mandated Change to Electronic Healthcare Transactions for Healthcare and Pharmacy Transactions	Michael Nardone, Deputy Secretary Office of Medical Assistance Programs

Purpose:
To emphasize to providers, electronic billers and payers the importance of upgrading the current version of electronic healthcare and pharmacy transactions as mandated under the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

Scope:
This bulletin applies to all providers enrolled in the Pennsylvania Department of Public Welfare's (Department) Medical Assistance Program (MA) who currently are or potentially will be submitting electronic healthcare or pharmacy transactions for services rendered for the Fee-for-Service (FFS) or a Managed Care Organization (MCO) delivery system.

Background:
On January 16, 2009, the Centers for Medicare and Medicaid Services (CMS) published its final rule adopting updated versions of the standards for electronic healthcare and pharmacy transactions. This rule announced replacements of the current healthcare transaction versions with American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 v5010 and pharmacy transaction versions with National Council for Prescription Drug Programs (NCPDP) vD.0. These new versions affect covered entities such as health plans, healthcare clearinghouses, and healthcare providers when electronically submitting healthcare and pharmacy transactions. **Pennsylvania Medicaid Management Information System (MMIS) will be in compliance with the updated transaction standards on the federally mandated date of January 1, 2012.**

The versions accepted by the Department today are the ANSI ASC X12 v4010/4010A for healthcare transactions and the NCPDP v5.1 for pharmacy transactions. These current versions were mandated in August 2000 when the Transactions and Code Sets final rule was published, but were not implemented nationally until 2004. Today, these versions are widely recognized as being outdated and lacking certain functionality needed by the healthcare and pharmacy industry.

Discussion:
As a provider who electronically communicates with the Department using healthcare transactions, it is important that you take the necessary steps to ensure that your HIPAA

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

The appropriate toll free number for your provider type

Visit the Office of Medical Assistance Programs Web site at:
http://www.dpw.state.pa.us/provider/healthcaremedicalassistance/index.htm

compliant software is ready with the federally imposed deadline of January 1, 2012. The Department recommends you contact your healthcare or pharmacy HIPAA compliant software vendor to ensure they are taking the necessary steps to become compliant. Failure to do so may result in not receiving payment from the Department for services rendered to MA recipients.

The following PA MMIS electronic healthcare transactions will be upgraded to the ANSI v5010 standard:
ASC X12 837 D: Health Care Claim: Dental
ASC X12 837 I: Health Care Claim: Institutional
ASC X12 837 P: Health Care Claim: Professional, including Physician Dispensed Drugs
ASC X12 270/271: Health Care Eligibility Benefit Inquiry and Response
ASC X12 276/277: Health Care Claim Status Request and Response
ASC X12 835: Health Care Claim Payment/Advice
ASC X12 834: Benefit Enrollment and Maintenance
ASC X12 820: Premium Payment for Insurance Products

The following PA MMIS electronic pharmacy standard transactions will be upgraded:
NCPDP D.0: Retail Pharmacy Drug Claim (telecommunication and batch)
NCPDP D.0: Eligibility for Health Plan Inquiry and Response, Retail Pharmacy Drug

The main source of information for the v5010/D.0 upgrade is found within the following references:

- **ASC X12 v5010:** *ASC X12 Standards for Electronic Data Interchange Technical Report Type 3*
- **NCPDP D.0:** *Implementation of the Telecommunication D.Ø or Batch Standard 1.2 or Medicaid Subrogation 3.Ø*

Links to the above references are available below.

Companion Guides
PA MMIS may require certain information and values not covered in the above references for processing electronic transactions. These may include a reduced list of valid values or a special instruction for specific information needs to be provided. These requirements will be detailed in Companion Guides scheduled to be published by the Department the 3rd Quarter of 2010.

Atypical Providers and Waiver Programs
A major change of the HIPAA upgrade is the requirement for diagnosis codes to be entered on the claim. In the current model the diagnosis codes are situational; meaning exceptions are allowed for waiver programs and atypical providers. However; the 5010 model does not allow for these exceptions. If you bill PROMISe™ for waiver and atypical services, you MUST bill with a diagnosis code. Your program office will be contacting you concerning the guidelines for these new procedures.

Testing and Recertification

Certification assures the compatibility between trading partners when processing HIPAA transactions. To ensure that you continue to receive payment for services provided to an MA recipient, we are requiring that you (or your submitter) become certified (new providers) or re-certified (existing providers). This certification process confirms the ability of software products and users to submit HIPAA compliant transactions in the new formats. Without certification, submitters have no assurance that their transactions will be accepted by PROMISe™ after January 1, 2012 and, therefore, this process also helps to minimize claims payment problems associated with the transaction format once the submitter begins to send production transactions. If you submit claims to an MCO, your MCO will provide guidance as to their certification requirements. Provider testing and certification activities will begin during the 1st Quarter of 2011. Additional information will be published later this year detailing the certification process.

If you have any questions regarding the upgrades to the above transactions, you should first contact your healthcare or pharmacy HIPAA compliant software vendor. The Department will continue to communicate with the provider population through the use of MA Bulletins, QuickTips and has developed the HIPAA 5010/D.0 Upgrade Information website located at:
http://www.dpw.state.pa.us/provider/doingbusinesswithdpw/softwareandservicevendors/hipaa5010d.0upgradeinformation/index.htm
Check this website often as it will contain all of the up-to-date information regarding the 5010/D.0 upgrade.

References and Resources:
CMS v5010/D.0 Electronic Billing & EDI Transactions website:
http://www.cms.hhs.gov/ElectronicBillingEDITrans/18_5010D0.asp