



UNIFORM BUSINESS OFFICE NEWSLETTER

**SPECIAL
HIPAA ISSUE**

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IMPORTANT NOTICE:

Due to Privacy concerns, all personal identifiers, such as names and personal e-mail addresses, have been removed from this newsletter. We apologize for this inconvenience. If you have questions about an article, please do not hesitate to contact the UBO Help Desk (UBO.helpdesk@alturum.org/703-575-5385)

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Standard Transactions

1. Claims or equivalent encounter information
2. Payment and remittance advice
3. Claim status inquiry and response
4. Eligibility inquiry and response
5. Referral certification and authorization inquiry and response
6. Enrollment and disenrollment in a health plan
7. Health plan premium payments
8. Coordination of benefits

ELECTRONIC BILLING: THE IMPACT OF HIPAA AND ITS CHANGES TO TPOCS CHCS AND UBO BUSINESS OPERATIONS

The HIPAA law (PL 104-191) required the Secretary of Health & Human Services (HHS) to adopt standards for financial and administrative transactions, to enable private health information to be exchanged electronically. The final compliance date was October 16, 2003. The HIPAA 837 format is required for all MTF electronic claims submission. The timeline for MHS-wide deployment of the HIPAA software change packages and accompanying MTF training is still being finalized. The TMA UBO anticipates that deployment will begin November 2003 and proceed over a 3-4 week timeframe.

The CMS contingency plan, dated 23 September 2003, allows for submission of electronic bills to CMS using legacy format. For MTFs that are not currently electronically billing, continue to use a paper bill. The following interim guidance for those MTFs that are currently submitting electronic claims is as follows: The MTF billing office will need to check with their third party payers to see if payers will accept the old/legacy electronic format after October 16, 2003. If the payers will accept the legacy format, MTFs may continue to electronically submit claims until installation of HIPAA software. If payers will not accept the legacy format, MTFs cannot submit electronic claims and will then need to use the paper claim format until after HIPAA software is installed and connectivity to the new clearinghouse, NDC Health is

established. HIPAA software installation and connectivity to the new clearinghouse will be coordinated with each site as part of the HIPAA deployment schedule.

After 16 October 2003, all health plans (payers) will also be required to accept these standard electronic claims. This means that when sending the HIPAA standard data for an electronic claim (X12N 837, Version 4010), the MTF billing offices will experience some changes in their billing systems and processes. The itemized billing process is crucial to the implementation of the standard electronic claim submission. Without itemized charges on beneficiary claim forms, achieving HIPAA compliance would be impossible.

Users should expect changes to DoD, Service, and MTF-related Third Party Collection (TPC) guidance. This may include the addition of specific HIPAA language references and associated requirements, updates to address HIPAA-related changes in data element collection, and updates to reflect any changes to what billing might be done manually or automatic.

Several questions may come to mind regarding MHS preparation for HIPAA such as "Where do things stand in terms of getting TPOCS and CHCS ready for HIPAA?" Alpha testing was conducted beginning

the week of August 22nd at Naval Hospital Camp Pendleton and ended October 3rd. "What does itemized billing and compliance with HIPAA Electronic Claims Transactions mean for the MTF billing offices?" Based on the type of claims that MTFs submit, HIPAA requires some standard data. MTF staff will see changes to their business processes in order for the MTFs to capture and use the data needed for a HIPAA compliant claim.

Changes to the CHCS and TPOCS interfaces have been modified to capture new HIPAA mandated data elements so that a HIPAA compliant claim can be generated. CHCS and TPOCS interface has also been modified to capture and send the required HIPAA compliant data elements for electronic billing. Most of these changes will be more evident to the user in CHCS, in terms of new data elements to be captured.

For more information on HIPAA, please visit the TMA UBO website located at:

http://www.tricare.osd.mil/ebc/rm_home/ubo_hipaa.cfm

ELECTRONIC BILLING: THE IMPACT OF HIPAA AND ITS CHANGES TO TPOCS CHCS AND UBO BUSINESS OPERATIONS *(continued from page 1)*

Changes to the CHCS and TPOCS interfaces have been made and systems testing began in April 2003. Formal systems testing occurred July 21 through August 15, 2003. Alpha testing was conducted at Naval Hospital Camp Pendleton August 22 – October 3, 2003 (for additional information – see page 4). The MHS-wide deployment plan is being finalized to include MTF training. Claims data received in TPOCS from CHCS that does not meet HIPAA electronic transmission requirements are required to be in paper form.

TMA UBO is developing HIPAA MTF Billing Guidance for the Services. HIPAA requires the capture of new data elements and has resulted in the addition of new or modified data fields in CHCS, ADM, CHCS II and Provider GUI. These new data elements need to be captured by the MTF staff and inputted into the appropriate system.

Some examples of changes to data elements collected by TPOCS as a result of HIPAA include:

- Using the “HIPAA Individual Relationship Code” values as opposed to “CHCS Relationship to Insured,”
- Using the “HIPAA Insurance Type”, as opposed to “CHCS Policy Type Code,”
- Collecting a “Pregnancy Indicator” along with “Estimated Date of Birth” and other pregnancy-related data where it is applicable,
- Adding Prior Authorization Number (for Ambulatory Procedure Visits (APVs) only) in CHCS,
- Additional collection of injury related data.

TPOCS will establish new connectivity with the clearinghouse to support the HIPAA electronic billing process. The clearinghouse will use the HIPAA-standard data from TPOCS to create HIPAA-standard claims transactions that they will send to payers.

Because there are currently no plans to implement the electronic remittance advice under TPOCS, it will continue to be business as usual for MTFs as they will continue to accept paper Explanation of Benefits (EOBs) from payers. While MTFs will continue to receive paper EOBs, it should be noted that the new data requirements in outgoing

claims may result in additional data being returned.

Below are additional examples of new data collection needs and “behind the scenes” data collection logic in CHCS, ADM, CHCS II and Provider GUI:

- Similar illness or symptom date (system does automatically depending on CPT code)
- Country code (situational: related to accident)
- HIPAA Provider Taxonomy (behind the scenes)

Most of the changes in TPOCS will be known as “behind the scenes” changes and not evident to the biller. Currently, ambulance, dental, internal lab, pharmacy, MSA and MAC bills continue to be in paper form. The TPOCS data feed will change to include the new/changed data elements. The new data elements include:

- New data received from CHCS
- Preset defaults (for example)
 - Assignment of benefits code
 - Release of information code
 - Patient signature source code

In addition, changes to existing data elements include conversion of country codes to meet HIPAA standards. With the implementation of HIPAA to the MHS, UBO Business Process changes are to be expected. Bills created manually in TPOCS can no longer be electronically billed. Bills received from CHCS that do not have all of the required elements or data will result in a paper bill.

Providers are mapped to a CMAC provider class and HIPAA provider taxonomy code based on their medical specialty in CHCS. The provider taxonomy is a required HIPAA electronic billing field. This table is maintained in CHCS and the appropriate provider taxonomy code is automatically pushed to TPOCS for billing purposes. HIPAA provider taxonomy impacts coding and billing of services provided by residents, interns and fellows. GME guidance is being finalized for dissemination to the Service Managers.

Below are a few beneficial examples of how electronic billing will improve the UBO TPC program:

1. Electronic transactions eliminate inefficiencies of handling paper documents.
2. Less time and cost to complete

3. Frees up valuable staff resources.
4. Facilitates improved relationships between healthcare partners.
5. Speedier flow of information between entities.
6. Decreased reimbursement time.
7. Stricter security measures protect the physical accessibility of patient health information.
8. Greater privacy protection to safeguard disclosure of confidential patient health information.

A main benefit of the healthcare industry being required to use HIPAA standard data and formats is that everyone sending claims will be doing it with the same data elements and the same formats. This allows billing offices to move away from having to accommodate different data and format needs for different payers. Throughout this implementation, questions pertaining to a particular service may continue to be directed to the HIPAA service representatives. The TMA/HIPAA office may also be contacted at hipaamail@tma.osd.mil and will be able to direct your questions to the appropriate parties.



WHAT ARE HIPAA PROVIDER TAXONOMY CODES AND HOW ARE THEY USED WITHIN THE MHS?

The HIPAA Provider Taxonomy code is a ten-character code and associated description specified for identifying each unique specialty for which a provider is qualified to provide health care services. The National Uniform Claim Committee (NUCC) maintains the HIPAA Provider Taxonomy code list. Changes and updates to the taxonomy listing will be made semi-annually. The Provider Taxonomy code is used in the X12 270/271 transaction set, the X12 278, and the X12 837 transactions.

Within DoD, the Composite Health Care

System (CHCS) will map the existing CHCS provider specialty codes to the HIPAA Provider Taxonomy codes. The Provider Taxonomy will be provided to the Third Party Outpatient Collection System (TPOCS) for billing and this provider information will be included in the Standard Inpatient Data Record (SIDR) and the Standard Ambulatory Data Record (SADR).

System changes are being finalized and coding has begun. DoD will be using the HIPAA Provider Taxonomy Codes before October 16, 2003.

Code Sets

1. Physician services/other health services-**both HCPCS and CPT-4**
2. Medical supplies, orthotics, and DME- **HCPCS**
3. Diagnosis codes- **ICD-9-CM, Vol 3**
Inpatient hospital procedures- **ICD-9-CM, Vol 3**
4. Dental services- **Code on dental procedure and nomenclature**
5. Drugs/biologics- **NDC for retail**



DD FORM 2569 EXTENSION



The TMA UBO received confirmation that the Office of Management and Budget (OMB) has granted a short-term extension to the DoD that will allow for continued use of DD Form 2569, Third Party Collection Program – Record of Other Health Insurance, for an additional 90 days. MTFs can continue to use DD Form 2569 through 19 Jan 2004. This short-term extension will provide continued use of the form as OMB completes the renewal process. Plans are currently under development to create an electronic format of the DD Form 2569. If you have any questions regarding this issue, the TMA UBO POC is [REDACTED].



FOR MORE INFORMATION ABOUT HIPAA...



<http://www.cms.hhs.gov/hipaa/hipaa2/>- Answers to Frequently Asked Questions, links to other HIPAA sites, and information on the law, regulations, and enforcement are located here.

<http://www.tricare.osd.mil/hipaa/privacy.cfm>- TRICARE's Notice of Privacy Practices

For TMA online Privacy training, log onto <http://www.hipaatraining.tricare.osd.mil/> and refer to your Privacy Officer.

Log onto the TRICARE HIPAA website for more information on all HIPAA requirements: <http://www.tricare.osd.mil/hipaa>.

Sign up for HIHPAA Regulations ListServ for free e-mail notification when proposed or final rules on HIPAA have been published in the Federal Register (The Federal Register is the place where the government, upon passing a law, tells the public how the law will be implemented) <http://www.cms.hhs.gov/hipaa/hipaa2/regulations/lsnotify.asp>

Sign up here to learn about the latest CMS Administrative Simplification, receive free notices on HIPAA announcements, new tools and educational material, and related information <http://list.nih.gov/archives/hipaa-outreach-1.html>

HIPAA FINAL SYSTEMS TESTING AND ALPHA TESTING AT NAVAL HOSPITAL CAMP PENDLETON AND NAVAL HOSPITAL TWENTYNINE PALMS

Alpha testing was conducted during the week of August 22nd. Staff at NH Camp Pendleton were trained at the clinical level on clinical screen changes in CHCS. In addition, business office staff were trained on transmission changes, and new e-billing using the new data transmissions compliant with HIPAA Transaction and Code Sets.

NH Camp Pendleton and NH Twentynine Palms were the alpha test sites for Outpatient Itemized Billing (OIB). Now that the MHS has transitioned to OIB, HIPAA is another challenge not only faced by the MHS, but also all civilian covered entities under the HIPAA law. HIPAA (the Health Insurance Portability and Accountability Act) is here, and it will affect almost every area of your facility. Prior to implementing HIPAA Transaction and Code sets for institutional claim transmissions, initial testing of system changes are taking place in a concerted effort to comply with these transactions. Hospitals throughout the nation are ensuring their systems are able to submit claims using the required "837" format for transmission of claims, and testing with clearinghouses and payers to ensure those submissions are accepted and can be processed.

CHCS and TPOCS have undergone Final Systems Testing (FST). During FST, government representatives from NMC San Diego and NMC Portsmouth, VA, along

with support contractors for CHCS, TPOCS and the UBO Program Office met for 3 weeks in late July and early August to test scenarios, data transmissions, and new field screens for HIPAA Compliance. SAIC, support contractor for CHCS, published an Implementation Update Guide (IUG) and Release Notes, based on Final requirements submitted for compliance with HIPAA. The purpose of the FST was to work out all of the usual kinks when implementing new requirements to update the current CHCS and TPOCS.

HIPAA's requirements will cause significant changes in process, organization, and/or staffing in the area of claims management. HIPAA's requirements are meant to encourage healthcare organizations to move patient information handling activities from manual to electronic systems in order to improve security, lower costs, and reduce error rates. The ultimate goal is to standardize all electronic data transmissions within the healthcare industry, much like the banking and retail industry are performing currently.

The alpha testing could not have been successful without the help of all participants. Thanks and appreciation is acknowledged to the following for all of their support and efforts during the

testing: BUMED, NMIMC, SAIC, PSI, STI, CITPO, RITPO, BMC Yuma, BMC China Lake, TRICARE Oceanside and Port Hueneme. Special recognition is also extended to [names redacted] at NH Twentynine Palms. Thank you again to all participants for your efforts and support.



WHAT'S NEW WITH HIPAA



The Centers for Medicare and Medicaid Services (CMS) released "Guidance on Compliance with HIPAA Transactions and Code Sets." The guidance explains CMS' approach to enforcing compliance. Read the guidance at: <http://cms.hhs.gov/hipaa/hipaa2/guidance-final.pdf>. CMS has provided other information to assist covered entities with their HIPAA transactions and code set readiness at: <http://cms.hhs.gov/hipaa/hipaa2/default.asp>.

DoDs APPROACH TO COMPLYING WITH THE HIPAA REQUIREMENTS TO STANDARDIZE TRANSACTIONS AND CODE SETS

The TRICARE Management Activity (TMA), Information Management, Technology and Reengineering (IMT&R), electronic Business, Policy and Standards (eBPS) Division, was tasked with planning and overseeing DoD's implementation of the HIPAA standard transaction and code sets. To assist in this effort, TMA has chartered a cross-functional HIPAA Overarching Integrated Project Team (OIPT), chaired by the Director eBPS, with members from the Uniformed Services and the Office of General Counsel (OGC). Several Working Integrated Project Teams (WIPTs) have been chartered under the OIPT to address specific aspects of HIPAA. One such WIPT focuses on the standard transactions and code sets. The general approach taken by DoD to comply with the HIPAA standard transactions and code sets was to perform the following sequence of tasks:

1. The WIPT identified all of the entities involved in each of the business transactions covered by the Transactions and Code Set rule, and determined the relationship of each entity to the TRICARE health plan and the MHS. For example, an entity might be a part of the TRICARE health plan, a business associate of the health plan, a provider, a clearinghouse, or another health plan in its own right. If the entity is a business associate, the WIPT determined the nature of the business associate agreement or arrangement. These relationships were reviewed by OGC.
2. Using the definitions of the business transactions and the entities involved in the transactions, the WIPT determined which transactions were subject to the HIPAA standards and then determined the requirements of each entity involved in the transactions. For example, a provider might have the option to perform the transaction electronically or on paper, but would be

required to use the standard if they decided to perform it electronically. On the other hand, a business associate of the health plan would be required to be capable of receiving an electronic transaction from a provider should the provider wish to send it electronically. The WIPT collaborated with the business offices and owners of the processes involved with these business transactions to finalize the requirements. This included initial discussions with the MCSCs and other business associates of the TRICARE health plan.

3. Next the WIPT identified the systems used, or planned to be used, by each entity identified as a sender or receiver of any of the business transactions. From here, the WIPT took two separate paths to achieve compliance – one path for the systems under direct control by DoD and another path for the systems used by the MCSCs and other business associates of the TRICARE health plan.

a. For the systems developed by DoD, the WIPT established a working relationship with the functional proponents for the system, as well as the system developers, and began to work on the detailed requirements to implement the standard transactions and associated code sets. This included map/gap analyses between the Implementation Guides for the standard transactions and the current transactions, data elements and code sets. This was and continues to be an iterative process; including obtaining a rough estimate of the cost, and then refining the requirements and costs, and developing detailed implementation plans.

b. For the systems used by the MCSCs and other business associates of the TRICARE health plan, the WIPT prepared a

modification to their current contracts detailing TRICARE's requirements for sending and receiving the standard transactions and modifying their systems as necessary. The WIPT held a series of meetings with them to refine the requirements and develop and refine the cost estimates.

4. The WIPT will assist the DoD business offices and system developers, as well as the MCSCs and other business associates throughout the development, testing and implementation phases as necessary, to comply with the standard transaction and code sets.

Implementation of the HIPAA standard transaction and code sets was an unfunded requirement for DoD. Although committed to using standards, the difficulty in obtaining funds for this effort has led DoD to the decision to request the one-year extension for compliance. DoD intends to be fully compliant and will operationalize the use of each standard transaction as soon as it is fully developed and tested.



Editor's Note: This article is an excerpt of a White Paper extracted from TRICARE's website. To read more about DoDs approach to complying with HIPAA requirements log onto:

http://www.tricare.osd.mil/hipaa/downloads/White_Paper_for_Transactions_Compliance_Jul_02.doc

UBO REFERENCES AND WEB PORTALS

Reference Sources

Web Portal

Uniform Business Office (UBO)

http://www.tricare.osd.mil/ebc/rm_home/ubo_home.cfm

Uniform Biostatistical Utility (UBU)

<http://www.tricare.osd.mil/org/pae/ubu/default.htm>

MHS Helpdesk

<http://www.MHS-helpdesk.com>

Third Party Outpatient Collection System (TPOCS)

<http://www.tpocshelpdesk.com>

CHCS Implementation Alerts and OIB

<http://fieldservices.saic.com>

UBO Questions

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