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**Impact of the Patient Protection & Affordable Care Act (P.L. 111-148) on
HIPAA Transaction Code Sets and Identifiers**

In our December 2009 Newsletter, we discussed the impacts of the House and Senate versions of the Health Care Reform bills under debate at that time. On March 23, 2010, the Patient Protection & Affordable Care Act was signed into law and is now known as **P.L. 111-148**. Two sections of this law have implications for HIPAA Administrative Simplification requirements as they pertain to electronic standard transactions: Sec. 1104 – Administrative Simplification, and Sec. 10109 – Development of Standards for Financial and Administrative Transactions.

Sec. 1104-Administrative Simplification: This section of P.L. 111-148 modifies previous HIPAA Administrative Simplification provisions to establish more uniform standards and requirements for electronic transmission of certain health information, and seeks to reduce the clerical burden on patients, health care providers and health plans. Sec. 1104 requires the Secretary of the Department of Health & Human Services (HHS) to:

1. Adopt operating rules for certain HIPAA electronic transactions, expected to be effective as early as January 1, 2013 for eligibility and claims status transactions.
2. Promulgate final rules to establish standards for: Unique Health Plan Identifier expected to be effective by October 1, 2012; Electronic Funds Transfer (EFT) expected to be effective by January 1, 2014; and Health Claims Attachments expected to be effective by January 1, 2016.
3. Expedite the rulemaking process for applying standards or operating rules by promulgating interim final rules.
4. Expand electronic transactions in Medicare by requiring Medicare payments to be made by EFT or electronic remittance No Later Than (NLT) January 1, 2014.
5. Require health plans to certify compliance with HIPAA electronic standards for eligibility, claim status, EFT, and payment and remittance advice NLT December 31, 2013.
6. Require health plans to certify compliance with HIPAA electronic standards for claims, enrollment in a health plan, premium payments claims attachments, and referrals NLT December 31, 2015.
7. Require health plans to provide documentation of compliance, including completion of end-to-end testing with trading partners.
8. Require health plans to ensure that entities providing contracted services comply with applicable certification and compliance requirements.
9. Conduct periodic audits of health plans to ensure compliance with the standards and operating rules.
10. Assess penalty fees against health plans that fail to meet the requirements with respect to certification and documentation of compliance NLT April 1, 2014.

It is expected that the adoption of operating rules and standards for health claims attachments and unique health plan identifier will have implications for both direct and purchased care operations. The standard for EFT and its operating rules are expected to affect purchased care operations.



**Impact of the Patient Protection & Affordable Care Act (P.L. 111-148)
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(continued)**

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Sec. 10109 – Development of Standards for Financial and Administrative

Transactions: This section of P.L. 111-148 deals with recommendations for implementation of ICD-10 and requires the Secretary, HHS to solicit input with regard to standards and operating rules. Sec. 10109 requires the Secretary HHS to:

1. Task the ICD-9-CM Coordination and Maintenance Committee to convene a meeting, NLT than January 1, 2011, to receive input from appropriate stakeholders, regarding the crosswalk between ICD-9 and ICD-10 and to make recommendations about appropriate revisions.
2. Make and post revisions on the CMS website.
3. Treat any revisions to the crosswalk as a code set.
4. For each subsequent revision, consult with appropriate stakeholders and post a revised crosswalk NLT the implementation date for such revision.
5. Solicit from the National Committee on Vital & Health Statistics (NCVHS), the Health Information Technology (HIT) Standards Committee and Standard Setting Organizations and stakeholders, NLT January 1, 2012, their input on:
 - a. Whether there could be greater uniformity in financial and administrative activities and whether standards and operating rules should be adopted for these activities.
 - b. Whether the application process, using a uniform application form for enrollment of health care providers by health plans, could be standardized and made electronic.
 - c. Whether standards and operating rules should apply to the health care transactions of automobile insurance, workers' compensation, and other programs.
 - d. Whether standardized forms could apply to financial audits required by health plans, etc., as determined appropriate.
 - e. Whether health plans should be required to publish their timeliness of payment rules.
 - f. Whether greater transparency and consistency of methodologies and processes could exist to establish claim edits used by health plans.

It is expected that the ICD-10 Crosswalk revisions will affect both direct care and purchased care. Use of standardized electronic forms for enrollment of health care providers, and standardized forms for financial audits could affect both direct care and purchased care. It is also expected that requirements for providing processes used to establish claim edits, and publishing the timeliness of payment rules will affect purchased care.

For more complete information refer to: [H R 3590 HIPAA Administrative Simplification brief](#)