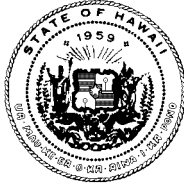


LINDA LINGLE
GOVERNOR



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DIRECTOR

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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
Med-QUEST Division
Administration
P. O. Box 700190
Kapolei, Hawaii 96709-0190

In reply, please refer to:

In reply, please refer to:

Governor's Referral No.:

September 11, 2003

ACS 03-09

MEMORANDUM

TO: Med-QUEST Providers Currently Submitting Electronic Claims

FROM: Aileen Hiramatsu, Med-QUEST Division Administrator

SUBJECT: HIPAA Transactions and Code Sets Contingency Plan

Med-QUEST (MQD) is required by law to achieve complete HIPAA Transaction and Code Sets (TCS) compliance by October 16, 2003, which includes accepting and producing only HIPAA-compliant electronic transactions. Electronic Claim Submittal (ECS) or Electronic Remittance Advice (ERA) Providers and their software vendors/clearinghouses are also required to comply with this requirement.

MQD has been working towards HIPAA TCS compliance for more than a year. Trading partner testing for the 837 fee for service claims and 835 remittance advice transactions has been underway since early August. Although MQD will be fully compliant with the 837 and 835 transactions by the deadline, it appears as though some trading partners may not be ready. MQD reached this conclusion after numerous discussions with providers and their software developers and clearinghouses. It is critical to ensure the smooth flow of payments to providers in order to avoid cash flow problems for providers and service disruptions for recipients. MQD has arranged a contingency plan for current ECS submitters and ERA receivers to enable them to continue to transmit claims electronically in the current format.

To participate in this contingency plan, providers must do all of the following **no later than October 1, 2003**: *(If you do not contact ACS or the testing team by October 1, 2003 (Wednesday) then you will not be able to participate in the contingency plan and may have to submit claims on paper).*

- Contact ACS, who will refer you to the HIPAA TCS Testing Team, or contact the testing team directly using the information provided below
- Confirm your submitter ID
- Identify your electronic vendor or clearinghouse, including contact information for the vendor/clearinghouse – If applicable
- Identify whether you will continue to submit CMS 1500 electronic claims in the NSF 3.0 format and UB-92 claims in the NSF 4.0 format
- Identify whether you will receive the current electronic Remittance Advice, or both after October 16
- Provide the testing team with a **target date** for your HIPAA TCS compliance. This information should include any interim testing dates (you should contact your software vendor/clearinghouse to verify target dates).

Once you provide Med-QUEST's HIPAA TCS Testing Team with the required information, the team will make arrangements for you to continue submitting NSF 3.0 electronic claims and/or receiving the current electronic remittance advice past the October 16, 2003 deadline.

Med-QUEST strongly encourages providers to discuss TCS status with their software vendors/clearinghouses immediately.

Contact ACS or Med-QUEST by October 1, 2003 if you wish to be considered for the aforementioned contingency strategy. You can reach ACS and the HIPAA TCS Testing Team using any of the following:

(808) 952-5570 ACS

(800) 235-4378 toll free ACS

hipaatcs@medicaid.dhs.state.hi.us

If you participate in the contingency plan, you will have 45 days (until December 1, 2003) to achieve HIPAA TCS compliance. Extension beyond 45 days will be considered on a case by case basis.