



ABOUT ADMINISTRATIVE SIMPLIFICATION

Health Care Transactions Basics

What is a Health Care Transaction?

A health care transaction is an exchange of information between two parties to carry out financial or administrative activities. When electronic health care transactions are used effectively, they:

- Increase efficiencies in operations
- Improve the quality and accuracy of information
- Reduce the overall costs to the health care system

Widespread use of Healthcare Insurance Portability and Accountability Act of 1996 (**HIPAA**) **adopted transactions**—where everyone uses the same language, format, and code sets—can lead to substantial savings across the health care industry. To realize these benefits, however, all organizations need to be using the same adopted standards for their health care transactions.



Administrative Simplification Standard Transactions

To help guide the health care industry, the Department of Health and Human Services (HHS) adopted standardized implementation specifications for electronic transactions used in the electronic exchange of health care data. These adopted transactions include:

- [Health care claim X12N 837 transaction](#)
- [Health care claim payment advice X12N 835 transaction](#)
- [Health care claim status request/notification X12N 276/277 transaction](#)
- [Eligibility, coverage, or benefit inquiry/information X12N 270/271 transaction](#)
- [Benefit enrollment and maintenance X12N 834 transaction](#)
- [Health care service review information X12N 278 transaction](#)
- [Payment order/remittance advice X12N 820 transaction](#)

HIPAA-covered entities—health plans, clearinghouses, and covered health care providers—must use the adopted standards when conducting these transactions using an electronic format. For several of these transactions, HHS has also adopted **operating rules** that support the use of transactions.



Enforcement

The Division of National Standards (DNS) enforces compliance with Administrative Simplification **standards** and **operating rules** on behalf of the Department of Health and Human Services. Information about enforcement, compliance, and **filing complaints** can be found on the [CMS website](#).

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