



October 16, 2003

**Deadline for Electronic Transactions and Code Sets
STEPS TOWARD HIPAA COMPLIANCE**

If you are a covered entity, you should be working towards becoming HIPAA compliant as quickly as possible.

- Review your office's business operations and identify exactly which HIPAA electronic transactions apply to you. The HIPAA standard transactions and code sets are listed in the box to the left.
- Assign a HIPAA Point Person who will be responsible for making your organization HIPAA compliant. Make sure the individual has the authority and ability to make decisions for your organization.
- Identify your HIPAA partners. Who are your health plans, clearinghouses, software vendors and billing services? Contact your partners and ask them about their HIPAA plans. Some questions you should ask include: What is their timeframe for compliance? Will they be making changes to products or services and at what cost? How will these changes impact your internal operations? How do they plan to implement the changes with providers and payers? When can you expect to test any changes to their software? Document responses that you receive and get all commitments in writing. It is a good idea to have a legal review of your contracts and agreements to fully understand your rights and responsibilities, as well as those of your partners.
- Test with your health plans and payers. This includes testing with Medicare, your commercial payers and your clearinghouse. Continually monitor their progress until you are satisfied that you are compliant with the standards. Changes to your practice management software may also affect your internal office procedures. Test your internal office systems (patient scheduling, registration system and practice management systems) and be certain to train your staff on any changes.
- Research your options. If your software vendors, or current billing service, are unable to ensure HIPAA compliant transactions after the deadline of October 16, 2003, consider using an alternative vendor, or clearinghouse that is HIPAA compliant. If you bill Medicare, there is software available to you free or for a small charge. This software is designed only for Medicare claims. For more information visit <http://www.cms.hhs.gov/providers/edi/>.
- Consider using a third party certification service or tool. This is an independent assessment of your HIPAA transactions. It determines whether all applicable data have been included, data are formatted properly, and all codes are valid.

IMPORTANT NOTE:

If you are a small provider who does not conduct any of the HIPAA electronic transactions (and you do not have a billing service or clearinghouse conduct any HIPAA electronic transactions on your behalf) you may not be affected by HIPAA. However, be aware that all Medicare claims must be submitted electronically by the October 16, 2003 deadline – with the exception of those from small providers and under certain limited circumstances. Review the CMS information paper “Are you a covered entity?” and the “Covered Entity Decision Tool” both found on the CMS web site <http://www.cms.hhs.gov/hipaa/hipaa2> to determine if you are a covered entity and/or are considered a small provider by Medicare.

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
<i>Pending approval:</i>	
9.	Claims attachments
10.	First report of injury
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, Vols 1&2
4.	Inpatient hospital procedures- ICD-9-CM, Vol 3
5.	Dental services- Code on dental procedures and nomenclature
6.	Drugs/biologics- NDC for retail pharmacy