

# North Carolina Medicaid Special Bulletin

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Assistance*

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**Attention:**

**All Providers**

**HIPAA Update**

## **COMMITMENT TO QUALITY**

**EDS and DMA share a common goal with the provider community to ensure quality health care is provided to all North Carolina Medicaid recipients in the most efficient and economical manner.**



**Quality is the process of delivering products and services that meet our customers' requirements and exceed their expectations to generate customer satisfaction and success.**

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## **DISCLAIMER**

*The information provided in this special bulletin is for education and awareness use only. While all information in this document is believed to be correct at the time of writing, the N.C. Department of Health and Human Services (DHHS), the Division of Medical Assistance (DMA), and Electronic Data Systems (EDS) do not intend for this document to provide legal advice regarding the Health Insurance Portability and Accountability Act (HIPAA). If you require legal advice, you should consult an attorney.*

## **HIPAA FACTS . . . DID YOU KNOW?**

- HIPAA is the largest government action in health care since Medicare.
- HIPAA is literally an Act of Congress, signed into law by President Clinton in 1996.
- Unlike Y2K, HIPAA is extremely complicated and will take years to fully implement.
- HIPAA compliance could easily cost tens of millions of dollars in vendor support.
- HIPAA leverages Electronic Data Interchange (EDI) technology, which has been used successfully for years in private industry.
- Instead of the 450 different versions of electronic health care claims that exist nationally today, there will be one electronic claim format.
- HIPAA defines and requires nine standard electronic transactions and five standard code sets.
- Each of the 1200+ data elements within various HIPAA transaction formats must conform to precise data definitions.
- Electronic claims are processed many times faster than paper claims.



## INTRODUCTION

The Health Insurance Portability and Accountability Act (HIPAA) was enacted on August 21, 1996 (PL 104-191). The Administrative Simplification provisions of HIPAA require the standardized transmission of electronic information. The goal is to streamline health care delivery by adopting and requiring the use of standardized electronic **transactions** and **code sets**. Also, provisions were made regarding the **privacy** and **security** of individually identifiable health information (referred to as IHI) and **unique identifiers** for health plans, providers, individuals, and employers. Administrative Simplification is just one part, or title, of HIPAA. Other titles include Health Insurance Portability, Tax-Related Health Provision, Application and Enforcement of Group Health Plan Requirements, and Revenue Offsets. This special bulletin addresses only issues related to the Administrative Simplification provisions of HIPAA.

Standards for electronic **transactions** and their applicable **code sets** were adopted and made effective on October 16, 2000. Covered entities were required to comply with these standards by October 16, 2002. Covered entities are defined in HIPAA as:

1. Health plans.
2. Health care clearinghouses or vendors.
3. Health care providers who transmit any health information in electronic format in connection with a transaction covered in the HIPAA Transaction Rule. These terms are defined in detail in 45 CFR 160.103.

In December 2001, Congress enacted the Administrative Simplification Compliance Act (ASCA). ASCA allowed covered entities to file a request to the Centers for Medicare and Medicaid Services (CMS) for a one-year extension to the transactions and code set implementation deadline. The N.C. Department of Health and Human Services (NCDHHS) HIPAA Program Office filed for an extension with CMS on behalf of DMA. As a result, N.C. Medicaid plans to implement HIPAA transactions on August 1, 2003, and code sets by October 16, 2003.

In October 2002, N.C. Medicaid implemented the American National Standard Institute (ANSI) Accredited Standards Committee (ASC) X12N standards, Version **4010** for the following transactions:

- Eligibility Benefit Inquiry/Response – 270/271 Transaction
- Health Care Services Review and Response – 278 Transaction
- Benefit Enrollment and Maintenance – 834 Transaction

Effective August 1, 2003, N.C. Medicaid will implement the American National Standard Institute (ANSI) Accredited Standards Committee (ASC) X12N standards, Version **4010A1** for the following transactions:

- Health Care Claim (Professional, Institutional, Dental) – 837 Transaction
- Health Care Claim Payment Advice – 835 Transaction
- Claim Inquiry and Response – 276/277 Transaction
- Benefit Enrollment Maintenance – 834 Transaction
- Payroll Deducted and Other Group Premium Payment for Insurance Products – 820 Transaction
- Eligibility Benefit Inquiry/Response – 270/271 Transaction
- Benefit Enrollment and Maintenance – 834 Transaction
- Health Care Services Review and Response – 278 Transaction

The Health Care Services Review and Response – 278 Transaction will be updated based upon the American National Standard Institute (ANSI) Accredited Standards Committee (ASC) X12N standards, Version **4010A1** by October 1, 2003.

Effective August 1, 2003, N.C. Medicaid will implement the National Council for Prescription Drug Programs (NCPDP), Version 1.1 Batch and 5.1 Point-of-Sale as the standard for all retail pharmacy transactions.

## **PROVIDER RESPONSIBILITY**

Providers should become knowledgeable about the impact that HIPAA will have on their business practices. Providers should ensure vendors, clearinghouses, and other associates with whom they conduct business are HIPAA-compliant. Providers must understand that electronic transactions are strongly encouraged but are not required by N.C. Medicaid. This may not be true for other health plans with whom providers conduct electronic business.

Providers must also be aware that HIPAA is federal legislation and impacts more than N.C. Medicaid. It may be necessary for providers to make changes in claims filing practices with all associated health plans. Regardless of claim format, paper or electronic, the use of standard code sets is required by N.C. Medicaid.

Enforcement of HIPAA compliance is not the responsibility of N.C. Medicaid. CMS is the designated agency for compliance issues related to HIPAA transactions, code sets, and security standards. HIPAA Privacy regulations will be enforced by the U.S. Department of Health and Human Services' Office for Civil Rights (OCR). The U.S. Department of Justice (DOJ) will work with OCR when privacy violations result in penalties, fine, and/or imprisonment.

### **HIPAA Transactions**

The U.S. Department of Health and Human Services published, and continues to publish, rules pertaining to the implementation of HIPAA. New versions of the standards resulting from changes to the rule may occur each year. Covered entities are required to comply with new standards within two years of the adoption of the final rule.

Transactions, as defined under HIPAA, are electronic communications between covered entities. Providers should contact their clearinghouse or vendor, if applicable, to ensure proper measures are being taken for HIPAA compliance.

For more information regarding the HIPAA transactions and code sets, go to <http://aspe.hhs.gov/admsimp/>.

### **Health Care Claim Transactions (837)**

Health care providers may file electronic claims for payment of services rendered. Electronic claims are required in the HIPAA-compliant format commonly referred to as the 837 transaction.

N.C. Medicaid will begin to receive 837 transactions beginning August 1, 2003. For each transaction received, a 997 Functional Acknowledgement will be created and returned to the trading partner as verification of the receipt of the transaction.

**Note:** Current N.C. Medicaid electronic claim formats, which are not HIPAA-compliant, will continue to be accepted until the October 16, 2003. After October 16, 2003, non-compliant electronic claims will not be accepted for processing.

Third party liability (TPL) and time limit edits will continue to be applied to claims as they are currently. Audits conducted on claims pertaining to duplicate filings and prior approval (PA) will continue.



Under HIPAA, health plans are required to accept and process the standard HIPAA 837 claim submitted electronically, without delay. There are three distinct types of the 837 claim transaction, Institutional, Dental, and Professional.

**Health Care Claim Institutional Transaction (ASC X12N 837 004010X096A1)**

The Institutional 837 is designed for use by providers who traditionally bill using a UB-92 claim format. The transaction differs from current electronic transactions in that it allows up to 999 detail lines to be submitted per claim. The following providers types will use the Institutional 837 format.

- Dialysis Facilities
- Hospitals
- Psychiatric Residential Treatment Facilities
- Residential Child Care Facilities (Level II-IV)
- Adult Care Homes
- Ambulance Services
- Home Health Agencies
- Hospice Agencies
- Nursing Facilities
- Intermediate Care Facility-Mental Retardation

Detailed information regarding the implementation of the 837 institutional transaction can be found in the N.C. Medicaid 837 companion guide at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm> and the ASC X12N 837 004010X096A1 implementation guide at <http://www.wpc-edi.com>.

**Health Care Claim Dental Transaction (ASC X12N 837 004010X097A1)**

The Dental 837 is designed for use by providers who traditionally bill using an ADA-1999 version 2001 claim format. The 837 format will accommodate up to 50 details per claim.

Detailed information regarding the implementation of the 837 dental transaction can be found in the N.C. Medicaid companion guide at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm> and the ASC X12N 837 004010X097A1 implementation guide at <http://www.wpc-edi.com>.

**Health Care Claim Professional Transaction (ASC X12N 837 004010X098A1)**

The Professional 837 is designed for use by providers who traditionally bill using a CMS-1500 (formerly HCFA-1500) claim format. The 837 will accommodate up to 50 details per claim. The following providers types will use the Professional 837 format:

- Physicians, including Chiropractors, Podiatrists, Optometrists, Osteopaths, Medical Doctors and Dentists
- Independent Practitioners
- Independent Mental Health Providers
- Community Alternative Program Providers
- Nurse Practitioners
- Health Departments
- Rural Health Clinic/Federally Qualified Health Centers
- Case Management Services
- Durable Medical Equipment Providers
- Hearing Aid Suppliers
- Residential Evaluation Services
- HIV Case Management Services
- PCS/PDN (please consult future general bulletins for details on this change)
- Ambulatory Surgical Centers
- Independent Diagnostic Testing Facilities
- Local Education Agencies
- Planned Parenthood Services
- Nurse Midwives
- Certified Registers Nurse Anesthetists
- Portable X-ray Providers
- Optical Provider (Optometrists, Opticians, Optical Supplies)
- Laboratories
- Free Standing Birthing Centers
- Mental Health Centers
- Audiologists/Speech Pathologists
- Home Infusion Therapy Services
- Head Start Programs

With the implementation of the 837 transaction on August 1, 2003, Type of Service (TOS) will no longer be required on N.C. Medicaid claims. This applies to paper claims as well. The 837 format does not allow for the entry of a TOS. Therefore, TOS will be derived using a combination of the billing provider's type and specialty, the procedure code, modifiers, and claim type.

The 837 format accommodates up to four modifiers per detail. However, N.C. Medicaid currently limits, and will continue to limit, the number of modifiers used in processing to three. This also applies to paper claims.

Detailed information regarding the implementation of the 837 professional transaction can be found in the N.C. Medicaid companion guide at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm> and the ASC X12N 837 004010X098A1 implementation guide at <http://www.wpc-edi.com>.

**Health Care Claim Payment/Advice Transaction (ASC X12N 835 004010X091A1)**

Beginning with the first checkwrite in August 2003, the 835 claims payment/advice will be sent, upon request, to a health care provider as an electronic transaction. HIPAA guidelines allow the 835 claims payment/advice to be used as an Electronic Remittance Advice (ERA) and/or as a report of funds posted to the provider's account through Electronic Funds Transfer (EFT). When used for both these purposes, the transaction must be sent to the provider through one or more Depository Financial Institutions (DFIs), which would require the DFI to comply with HIPAA privacy regulations. To avoid this unnecessary complication, distribution of funds and RAs (paper and 835) will continue to be routed separately as is done currently.

The ERA is intended to be used as an aid to posting and account reconciliation. The ERA actually consists of two transactions: the 835 claims payment/advice transactions and the 277 pending (unsolicited) claim status transaction. The unsolicited claim status transaction is not a HIPAA-mandated transaction. However, if a provider elects to receive an 835 transactions, the unsolicited 277 transaction will be created automatically to report pending claims on file.

Most of the data elements on an ERA are simply a report of the information that was submitted by the provider on the claim. The EOB codes that providers currently receive on a paper RA will not be used on the ERA. N.C. Medicaid will implement the use of the following standard codes sets for the ERA transactions as mandated by HIPAA:

- NCPDP Reject/Payment Codes (retail pharmacy only)
- Claim Adjustment Reason Code
- Remittance Advice Remark Code

The HIPAA-compliant codes that will be used on the unsolicited 277 transaction are:

- Claims Status Category Code
- Claim Status Code

Because the paper RA provides information on claims payment but includes a greater level of detail on claim denials, all providers will continue to receive the paper version of the RA, even if they choose to receive the ERA transactions. The EOBs currently used for paper RAs will not change. The Automated Voice Response (AVR) system will continue to provide explanations for EOBs listed on the paper RA. Providers may use the EOBs on the paper RA as an informational aid to adjudicated claims listed on the ERA.

### **Point-of-Sale (POS) Transaction for Retail Pharmacies (NCPDP 5.1)**

NCPDP Version 5.1 is a real-time transaction utilized by the Point-of-Sale (POS) system to submit pharmaceutical drug claims and eligibility requests. The POS system provides a real-time promise of payment for prescriptions, real-time eligibility information, and real-time Prospective Drug Utilization Review (ProDUR) drug alerts on N.C. Medicaid recipients. Providers must use a Value Added Network (VAN) for this POS capability. Although the NCPDP Version 5.1 transaction offers a promise on claims payment, final claim adjudication information and payment is reported on the 835 ERA (described above) and/or paper RA.

With the implementation of NCPDP Version 5.1, providers will have the added capability to process re-bills and multiple ingredient compound pharmaceutical drug claims. Providers are instructed to continue to submit compound drug claims including over-the-counter (OTC) ingredients on paper. Beginning October 1, 2003, providers will be required to bill decimal quantities on claims and not round quantities as currently required by N.C. Medicaid.

The NCPDP Version 5.1 is a complex transaction with numerous data elements. N.C. Medicaid has published a companion guide for providers using the NCPDP Version 5.1 transaction. The companion guide, used in conjunction with the NCPDP Implementation Guide and Data Dictionary, offers complete transaction information. The N.C. Medicaid companion guide for NCPDP Version 5.1 is located at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm>. The NCPDP Implementation Guide and Data Dictionary is located at <http://www.ncpdp.org>.

**Batch Transaction for Retail Pharmacies (NCPDP 1.1)**

The NCPDP batch transaction is used to submit electronic pharmaceutical drug claims directly to EDS without using the POS system. Claims filed using the NCPDP batch transaction will be reported back to the provider using the 835 ERA and/or paper RA.

Although the NCPDP batch transaction will be implemented as part of the HIPAA transaction standards, N.C. Medicaid mandates the use of POS for pharmaceutical drug claim processing with the exception of claims adjustments and claims replacement. The NCPDP batch transaction re-bill function will be used for submitting claim adjustments and replacement claims. The reversal function will be used to reverse claims previously submitted for processing.

The NCPDP Version 1.1 is a complex transaction with numerous data elements. N.C. Medicaid has published a companion guide for providers using NCPDP Version 1.1. The companion guide, used in conjunction with the NCPDP Implementation Guide and Data Dictionary, offers complete transaction information for the provider community. The N.C. Medicaid companion guide for NCPDP Version 1.1 is located at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm>. The NCPDP Implementation Guide and Data Dictionary is located <http://www.ncpdp.org>.

**Eligibility Benefit Inquiry/Response Transaction (ASC X12N 270/271 004010X092A1)**

In October 2002, N.C. Medicaid implemented the 270/271 HIPAA transaction. The 270/271 transaction is used to inquire about recipient eligibility and coverage. Other information regarding recipient coverage, such as Medicare and TPL may also be obtained (as reported by the recipient to their local department of social services [DSS] and reflected on the recipient Medicaid eligibility file). The AVR system continues to offer eligibility information.

The 270/271 transaction is available as a real-time transaction or a batch transaction. There is a charge imposed by N.C. Medicaid for real-time 270/271 transactions. In addition, providers are potentially subject to charges from their vendor through whom the requests are made, regardless of whether transaction is real-time or batch. Providers are required to submit real-time transaction through a vendor. Providers may submit batch transactions through a vendor or directly to N.C. Medicaid.

Detailed information regarding the implementation of the 270/271 transaction can be found in the N.C. Medicaid companion guide at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm> and the HIPAA implementation guide at <http://www.wpc-edi.com>.

**Claim Inquiry and Response Transaction (ASC X12N 276/277 004010X093A1)**

Health care providers requesting the status of a health care claim may use the HIPAA 276/277 Claim Inquiry and Response transaction. This is a two-part transaction.

The 276 transaction allows providers to submit batch requests for claims status. In response, N.C. Medicaid will generate a 277 transaction offering status on requested claims. The status of claim(s) will be reported using standard HIPAA explanation code set. The HIPAA standard code sets include Health Care Claim Status Category Codes and Health Care Claim Status Codes.

The AVR system will also continue to provide claim status information. Providers will be required to enter specific search criteria to use the 276 transaction, including but not limited to, the recipient's Medicaid identification number (subscriber identifier), date(s) of services (date time period format qualifier) from the claim, and billed amount (total claim charge amount). This is similar to the information required by the AVR system.

**Note:** The AVR system will continue to provide information about N.C. EOB codes used on the paper RA.

Detailed information regarding the implementation of the 276/277 transaction can be found in the N.C. Medicaid companion guide at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm> and the HIPAA implementation guide at <http://www.wpc-edi.com>.

### **Health Care Services Review and Response Transaction (ASC X12N 278 004010X094A1)**

In October 2002, N.C. Medicaid implemented the 278 transaction. This 278 transaction is used to transmit health care service information between health care providers and health plans for the purpose of obtaining authorization for services. This does not replace the current PA process in place for N.C. Medicaid. Forms, medical documentation, correspondence from physicians, and other information currently required on paper will continue regardless of the implementation of this HIPAA transaction.

**Note:** Functions specified in the addenda to this transaction will be implemented in October 2003.

Detailed information regarding the implementation of the 278 transaction can be found in the N.C. Medicaid companion guide at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm> and the HIPAA implementation guide at <http://www.wpc-edi.com>.

### **Benefit Enrollment and Maintenance Transaction (ASC X12N 834 004010X095A1)**

The 834 transaction may be used to establish communication between the sponsor of a health benefit and a health plan. It provides enrollment data, such as subscriber and dependent identification, employer information, and health care provider information. The sponsor is the backer of the coverage, benefit or product. A sponsor can be an employer, union, government agency, association or insurance company. The health plan refers to the entity that pays claims, administers the insurance product or benefit, or both. **This transaction does not apply to the general Medicaid provider community.**

### **Payroll Deducted and Other Group Premium Payment for Insurance Products (ASC X12N 820 004010X061A1)**

Employers, employees, and unions may use the 820 HIPAA transaction to track payments of health plan premiums to their health insurers. This transaction will be used by N.C. Medicaid to communicate financial information to contracted Medicaid Managed Care Organizations (MCOs). **This transaction does not apply to the general Medicaid provider community.**

### **North Carolina Electronic Claims Submission Web-based Tool (NCECSWeb)**

The current NCECS software for claim submission will be replaced with a web-based program. With the implementation of HIPAA in August 2003, providers will be able to utilize the NCECSWeb application via the Internet. The new submission program will be compatible with N.C. Medicaid only. NCECSWeb will support the Professional, Institutional and Dental claims submission transaction. NCECSWeb will comply with the data content standards required by HIPAA and replace the current NCECS software after October 16, 2003.

The minimum necessary requirements for using the new NCECSWeb tool are:

- a browser such as Microsoft Internet Explorer (version 5.0 or greater)
- an Internet Service Provider
- a Pentium series processor is recommended
- a minimum of 32 megabytes of memory
- a minimum of 20 megabytes of hard drive storage

N.C. Medicaid has scheduled seminars in June and July for current and future users of NCECS. The locations and dates for these seminars are provided in the May 2003 general Medicaid bulletin located on DMA's website at <http://www.dhhs.state.nc.us/dma/bulletin.htm>.

### **Trading Partner Agreement**

The Trading Partner Agreement (TPA), defined in 45 CFR 160.163 of the transaction and code set rule, is a contract between parties who have chosen to exchange information electronically. The TPA stipulates the general terms and conditions by which the partners agree to exchange information electronically. The document defines participant roles, communication, privacy and security requirements, and identifies the electronic documents to be exchanged. TPAs are used by all entities that wish to establish an electronic relationship with the N.C. Medicaid program. TPAs must be on file prior to testing electronic transactions with N.C. Medicaid. The EDS Electronic Commerce Services Unit will work with the trading partner's staff to exchange and analyze technical information. The TPA form is available on DMA's website at <http://www.dhhs.state.nc.us/dma/hipaa.htm>.

**Note:** Providers who contract with billing services or clearinghouses will not establish a TPA directly with N.C. Medicaid. A TPA will only be required for entities that are directly exchanging data with N.C. Medicaid. **Providers who use the web-based version of NCECS (NCECSWeb) exclusively are not required to establish a TPA with N.C. Medicaid for its usage.**

### **Electronic Data Interchange (EDI) Vendors For Eligibility Verification and Point-Of-Sale Services**

Provider may wish to contact the services of an Electronic Data Interchange (EDI) vendor to begin utilizing online services such as:

- interactive recipient eligibility verification
- batch claims transmission
- POS pharmaceutical claim transmissions

Following is a list of approved EDI vendors.

### Eligibility Verification Service Providers

#### **WebMD Envoy**

Two Lakeview Place  
26 Century Blvd., Suite 601  
Nashville, TN 37214  
Contact: Marketing Department  
1-800-845-65592  
[service@webmd.net](mailto:service@webmd.net)  
<http://www.webmd.com>

#### **MediFax - EDI**

Building H  
1283 Murfreesboro Road  
Nashville, TN 37217-2421  
Contact: Marketing Department  
1-800-819-5003  
[marketing@medifax.com](mailto:marketing@medifax.com)  
<http://www.medifax.com>

#### **HDX**

51 Valley Stream Parkway  
Malvern, PA 19355-1751  
Contact: Marketing Department  
1-888-826-9702  
<http://www.siemensmedical.com>

#### **Passport Health Communications, Inc.**

720 Cool Springs Blvd., Suite 450  
Franklin, TN 37067  
Contact: Marketing, Lloyd Baker  
1-888-661-5657  
[lloyd@passporthealth.com](mailto:lloyd@passporthealth.com)  
<http://www.medicheck.com>

#### **MedData**

2100 Rexford Road, Suite 300  
Charlotte, NC 28211  
Contact: Marketing, Anne Brade  
1-877-633-3282  
[info@medconnect.net](mailto:info@medconnect.net)  
<http://www.medconnectonline.com>

### Point-of-Sale Pharmacy Service Providers

#### **WebMD Envoy**

Two Lakeview Place  
26 Century Blvd., Suite 601  
Nashville, TN 37214  
Contact: Marketing Department  
1-800-845-6592  
[service@webmd.net](mailto:service@webmd.net)  
<http://www.webmd.com>

#### **NDC**

National Data Corporation  
National Data Plaza  
Atlanta, GA 30329-2010  
Contact: Marketing Department  
1-404-728-2000  
[generalinfo@ndchealth.com](mailto:generalinfo@ndchealth.com)  
<http://www.ndchealth.com>

#### **QS1**

P.O. Box 6052  
Spartanburg, SC 29304  
Contact: Marketing Department  
1-800-845-7558  
<http://www.qs1.com>

### **Business Associate Agreements**

DMA has reviewed the HIPAA provisions and determined that the relationship between the N.C. Medicaid program and enrolled N.C. Medicaid providers does not require a business associate agreement in order to comply with the HIPAA privacy regulations.

According to information posted on the OCR website, “generally, providers are not business associates of payers.” Health plans and providers are defined as covered entities. If the only relationship between the health plan (payer) and the provider is one where the provider submits claims for payment to the health plan, then the provider is not a business associate of the health plan. Each covered entity is acting on its own behalf when a provider submits a claim to a health plan, and when the health plan assesses and pays the claim. The OCR is responsible for the implementation and enforcement of the HIPAA privacy regulations. Compliance information and assistance is available from the OCR website at <http://www.hhs.gov/ocr/hipaa/> or by contacting your provider association.



## HIPAA GUIDES AND ASSISTANCE

### Implementation Guides

Implementation guides for the ASC X12N and NCPDP transactions listed in this special bulletin have been established as the standard for HIPAA compliance. The implementation guides for ASC X12N transactions are available at <http://www.wpc-edi.com>. The NCPDP implementation guide is available at <http://www.ncpdp.org>. The guides offer a detailed layout for standard transaction format.

### Companion Guides

DMA and its fiscal agent, EDS, are responsible for processing electronic transactions for N.C. Medicaid. To ensure a seamless transition from current N.C. electronic format to HIPAA standard formats, companion guides will be published. These guides provide specifics required to successfully exchange transactions electronically with Medicaid in ASC X12 and NCPDP standard format. The information contained in these guides is for billing providers, their technical staff, clearinghouses, or vendors also known as Trading Partners (TPs). TPs should use the implementation guides in conjunction with the N.C. Medicaid companion guides for thorough transaction information. N.C. Medicaid companion guides are available at: <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm>. Please visit the website on a regular basis to see if changes have been made to the companion guides that may impact your electronic transaction exchange with EDS.

**Note:** N.C. Medicaid companion guides are living documents and will be updated periodically to best communicate information to the provider community. Changes made to the national implementation standard may impact the companion guides.

### For more information on HIPAA:

- Standards Developing Organizations (SDOs): link to SDO list maintained by the Workgroup for EDI (WEDI), Strategic National Implementation Process (SNIP) Task Group: <http://www.wedi.org/snip/Resources/sdos>
- Office of HIPAA Implementation Workgroups, Meetings & Schedules: link to the OHI Web site workgroup and meeting information page: <http://www.ohi.ca.gov/workgroups>
- DHS HIPAA Frequently Asked Questions (FAQs): link to DHS HIPAA FAQ page: <http://www.dhs.ca.gov/hipaa/faq>
- Glossary of HIPAA Terms: Link to glossary maintained by the WEDI, SNIP Task Group: [http://www.wedi.org/public/articles/HIPAA\\_GLOSSARY.pdf](http://www.wedi.org/public/articles/HIPAA_GLOSSARY.pdf)
- Centers for Medicare and Medicaid Services' HIPAA page: <http://www.cms.hhs.gov/hipaa>
- Washington Publishing Company — the manuals and implementation guides for new transaction sets: <http://www.wpc-edi.com>
- Electronic Healthcare Network Accreditation Commission: <http://www.ehnac.org>
- Private Sector Technical Assistance Group — white papers on HIPAA financial considerations <http://www.ps-tag.org>
- Listserv group featuring daily discussions about HIPAA policy and implementation. <http://www.rx2000@rx2000.org>
- Data Interchange Standards Association — HIPAA page: <http://www.disa.org>
- Workgroup for EDI — HIPAA page: <http://www.wedi.org>
- US DHHS site — FAQs concerning HIPAA standards and implementation <http://www.aspe.os.dhhs.gov/admsimp/faqtx>
- Forum among the regional health care implementers of the HIPAA standard and provider education: <http://www.sharpworkgroup.com/mission>
- HIPAA. EDI Practice Management System Directory: <http://www.hipaa.org/pmsdirectory/>

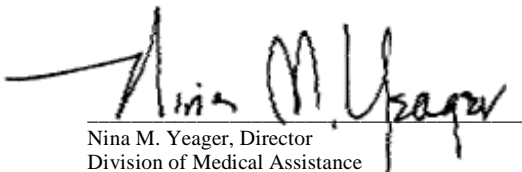
## **TAXONOMY**

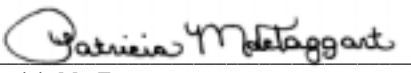
The provider taxonomy is a code set that codifies provider type and provider areas of specialization for all medical related providers. The National Uniform Claim Committee maintains the taxonomy code set. A provider may have more than one taxonomy code, depending on the provider's area of specialization. The taxonomy is not a unique number per providers and is only used to identify the provider's type and specialty. Although a provider may choose to provide this data element, at this time N.C. Medicaid will not use the taxonomy data element when processing the 837 institutional claim, 837 professional claim, and 837 dental claim transactions. A full provider taxonomy code set can be found at <http://www.wpc-edi.com>. For information regarding the history and creation of provider taxonomy, go to <http://www.nucc.org/>.

## **CLAIMS FILING IMPACT**

N.C. Medicaid has been converting local codes to standard codes since the finalization of the HIPAA Transactions and Code Sets Rule. Changes made to filing practices resulting from the end-dating of local codes have been published in numerous general Medicaid bulletins. Additional bulletin articles will be published as N.C. Medicaid continues its effort to convert to national standard codes. N.C. general Medicaid bulletins are available at <http://www.dhhs.state.nc.us/dma/bulletin.htm>.

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