DHS Oregon Department of Human Services

Health Services
Office of Medical Assistance Programs

Information Memorandum Transmittal

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Authorized Signature

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Topic: Medical Benefits

Subject: HIPAA Bulletin #2: 835 Electronic Remittance Advice for Pharmacy Providers

Applies to (check all that apply):

DHS staff and others on the SPD, CAF, OMHAS and OMAP transmittal lists

Message:

OMAP will send the attached *HIPAA Bulletin* to pharmacy providers. It informs them that all pharmacy providers must convert to HIPAA-compliant 835 Remittance Advice software by December 31, 2005. The *Bulletin* explains what kind of software is required and what resources are available to help providers during their transition.

If you have any questions about this information, contact:

Contact(s):	Patricia Krewson, Manager, OMAP Technical and Encounter Data		
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DHS

Electronic Data Interchange makes $ense: it's fast, accurate and cost effective.

EDI

Transactions and Codes Sets (TCS) compliance

OMAP HIPAA Bulletin

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835 Remittance Advice for pharmacy providers

As many of you are aware, the federal government passed sweeping legislation, the Administrative Simplification Act, that affects the health care industry. Among other things, it provides for privacy and security when transferring health care information by use of transactions and codes sets outlined in the Health Insurance Portability and Accountability Act (HIPAA). The Centers for Medicare and Medicaid Services (CMS) regulate these requirements. The DHS Office of Medical Assistance Programs (OMAP) is a covered entity that must abide by HIPAA laws.

October 16, 2003, was the original deadline to implement HIPAA electronic transactions and code set standards. This bulletin updates you on OMAP's status in implementing the 835 Remittance Advice (RA) standard.

Oregon DHS HIPAA TCS Contingency Plan

CMS granted OMAP a Contingency Plan that gives us an additional 14 months to transition to the HIPAA-compliant transactions. It covers OMAP as a covered entity, and includes Medicaid providers as covered entities that do business with us in the electronic proprietary formats, such as the National Standard Format (NSF) and Universal Billing (UB)-92 formats.

The Contingency Plan allows us to continue to process claims data in both the electronic proprietary formats and the HIPAA-compliant 837 claims transactions formats until December 31, 2005.

Effective January 1, 2006, OMAP will no longer accept or transmit non-compliant, electronic proprietary formats.

Provider action needed

Effective January 1, 2006, the Office of Medical Assistance Programs (OMAP) will no longer provide paper or tape cartridge Remittance Advices to providers who submit data electronically to OMAP.

As OMAP's Pharmacy Benefit Administrator, First Health Services Corporation submits all pharmacy data to OMAP electronically. This means all pharmacy providers must convert to an electronic 835 Remittance Advice.

The electronic Remittance Advice – What to expect

Like the paper or tape Remittance Advice, the HIPAA electronic Remittance Advice displays the number of claims and the adjudication status of your claims in Oregon's Medicaid system. However, the information may look very different from what you would see on a paper Remittance Advice.

Instead of seeing OMAP error or EOB codes, you will now receive HIPAA Adjustment Reason Codes (HARC). A list of these codes can be found on the Washington Publishing Web site: http://www.wpc-edi.com/content/view/180/223/.

To avoid confusion and help interpret remittance information correctly, make sure your office knows the differences between Oregon's proprietary Remittance Advices and the new electronic HIPAA-compliant Remittance Advice (835) you will be using.

The Remittance Advice is vital to day-to-day provider operations. OMAP encourages all providers to become as familiar as possible with their Remittance Advices, and to get help when needed.

Next steps

To switch over to the electronic 835 Remittance Advice (RA) format, you will need to do the following:

- **Choose a method to receive and process the 835 RA.** Options include software for your own billing systems or a claims/data processing clearinghouse.
- **Complete and mail a Trading Partner Agreement (TPA) to OMAP.** Be sure to keep a copy of the agreement for your records. You can find this agreement on the DHS Web site at http://www.oregon.gov/DHS/admin/hipaa/testing_reg.shtml.
- **Receive and review the new 835 Remittance Advices.** Once your TPA is approved, OMAP's HIPAA Testing Team will invite you or your data processing clearinghouse to access the electronic mailbox to pick up the 835 RA. We allow providers to receive dual remittances for 60 days. This is so you can make sure that you can correctly receive and process the new 835 RAs in your system.

Resources available

The following resources are available to help you make the transition from paper/tape transmission to electronic transmission as simple as possible.

EDI Vendor Fair

If you have not already selected a method to receive and process the 835 RA, you can attend the OMAP-sponsored Vendor Fair on July 13, 2005.

EDI vendors will participate and share information on their available software, provide demonstrations and answer questions.

This fair is for providers who still need to select EDI software or a clearinghouse for HIPAA compliance. The fair is for informational purposes only. OMAP does not personally endorse any of the vendors who attend.

CMS 835 Remittance Advice Implementation Guide
The 835 Implementation Guide provides standardized data requirements and content for all users of the 835 transactions. The purpose of this Guide is to expedite the goal of achieving a totally electronic environment for data interchange, health encounter/claims processing and payment.

This Guide provides definitive information of how the data must be assembled for a health information system to manage and process this version of the 835. These are available for purchase at Washington Publishing (http://www.wpc-edi.com/products/publications).

DHS HIPAA Companion Guides
OMAP has created Companion Guides to complement the federal Implementation Guides. The purpose of the Guide is to indicate to a payer where OMAP needs specific information placed for each transaction. You can find the Companion Guides on the DHS Web site at: http://www.oregon.gov/DHS/admin/hipaa/guides_man.shtml - cg

EDI Registration Team
If you have not completed a Trading Partner Agreement to receive the 835 RA from OMAP, or need to know if you have completed one, call OMAP at 1-503-947-5347 and ask for a member of the EDI Registration Team.

OMAP Provider Services
If you have any questions about the information received on your Remittance Advice, please call 1-800-336-6016 to have a Provider Services Representative go through the information with you.

Registration and assistance

If you submit claims electronically and have not begun the authorization process, please contact the EDI Registration and Testing Team for instructions or assistance.

- Email: DHS.HIPAAtesting@state.or.us
- Phone: 503-947-5347
- Web site: http://www.oregon.gov/DHS/admin/hipaa/testing_reg.shtml