HIPAA Compliance Update for Highmark Providers

For the past several years, health care providers and payers throughout the country have been preparing for the standardization of electronic health care data mandated by the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Highmark has been energetic in encouraging its providers, their vendors, billing services and clearinghouses to move toward compliance and has supplied information and testing resources to assist them in this effort.

Highmark applauds those providers who have achieved compliance at this point and those whose efforts are nearing completion.

At a national level, a significant number of providers and vendors are not yet ready and may not become ready by the mandated compliance date of October 16, 2003. Less than 80 percent of the EDI claims volume received by Highmark has been transitioned to the ASC X12N version 4010A1 HIPAA-compliant format.

In response to this national crisis, the Centers for Medicare and Medicaid Services and the Blue Cross and Blue Shield Association have announced that they will be invoking their HIPAA Transactions and Code Sets (TCS) Contingency Plans.

This bulletin announces the invocation of Highmark’s HIPAA (TCS) contingency plans.

Accordingly:

- Highmark will continue to accept and process both HIPAA-compliant electronic formats (4010A1) as well as those non-HIPAA compliant electronic formats* it currently accepts and processes, until February 29, 2004.

- Highmark will give Covered Entities that cannot accept HIPAA-compliant Electronic Remittance Advices (ERAs) the option to continue receiving the existing non-compliant electronic formats* until February 29, 2004.

- Effective December 2003, Highmark will only give priority treatment to the processing and payment of HIPAA-compliant transactions. Non-compliant electronic transactions* received after this will be processed and paid with the lower priority assigned to paper claims.

Additional details of these contingency plans will be communicated to you at a later date.

Providers Who Have Not Yet Achieved Compliance

Highmark strongly encourages every provider, software vendor, billing service and clearinghouse to press forward with the steps necessary to achieve TCS compliance as soon as possible.

*Please note that Highmark does not support and will not support ASC X12N version 4010 transactions.
Providers are especially urged not to drop their claim submissions to paper, since increased volumes of paper claims will create processing and payment backlogs. Besides the timeframe difficulties inherent in this manual process, providers may also experience higher administrative expenses as well as an increase in the age of your Accounts Receivables, as electronic claims submitted to Highmark receive priority treatment over paper claims with regard to processing and payment.

Resources Are Available
Please remember that Highmark offers and will continue to offer free, secure Web-based HIPAA-compliant TCS testing via the Validator™ product. If you, your software vendor, your billing service and/or clearinghouse have not yet taken advantage of these resources, please do so immediately. For more information on the Validator™ testing program, please contact the Highmark Validator™ Helpdesk, at 1-866-727-4941, or e-mail us at hmhipaatst@highmark.com.

Questions
If you have questions about the information in this bulletin, please do not hesitate to contact us at either of the following addresses:

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