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New HIPAA Rules Go Into Effect

By: Catherine Sicker, Compliance Officer, Partner

HIPAA Enforcement NPRM Published

The Department of Health and Human Services (HHS) published a Notice of Proposed Rulemaking (NPRM) of the Health Insurance Portability and Accountability Act (HIPAA) Enforcement Rule in the April 18, 2005 Federal Register.

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-7512.pdf>

The proposed rule, entitled, "Civil Money Penalties: Policies and Procedures for Investigations, Imposition of Penalties, and Hearings," would amend the existing rules relating to the investigation of noncompliance to make them apply to all of the HIPAA Administration Simplification rules, rather than exclusively to the

Privacy Rule. It would also amend the existing rules relating to the process for imposition of civil money penalties.

This proposed rule would complete the Enforcement Rule by addressing, among other issues:

- Clarification and elaboration of the investigation process
- Bases for liability
- Determination of the penalty amount
- Grounds for waiver
- Conduct of the hearing
- The appeal process

The HHS approach to enforcement is to promote and encourage voluntary compliance with the HIPAA rules through education, cooperation, and technical assistance. They intend to continue to work on educational and technical assistance materials, including additional guidance on compliance and enforcement along with targeted assistance materials focused on

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Remittance Processing Becomes More Efficient

By: Gene Calai, VP of Information Systems, Partner

Streamlining the processing of remittance data is a great way to help any health care entity reduce expenses, increase accuracy and speed cash flow. HIPAA mandates that all payors provide electronic remittance advice in the standard ANSI 835 40.10A1 format. Well, not all payors are completely there yet, but they are making progress.

You might ask, what are these acronyms you are using? Let me explain them for you:

ANSI is the American National Standards Institute, a private, non-profit organization (501(c)3) that administers and coordinates the U.S. voluntary standardization and conformity assessment system. If you are interested, you can learn more about ANSI at <http://www.ansi.org/>

835 is the transaction ID for electronic Health Care Claim Payment/Advice.

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To "Q" You In

By: Janet Browning, Quality Assurance

Initial Preventive Physical Examination (IPPE) for new Medicare beneficiaries

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 provides for coverage under Medicare Part B of an initial preventive physical examination (IPPE), including a screening EKG for new beneficiaries, effective for services furnished on or after 1/1/05.

This physical examination is a once-a-lifetime benefit for a beneficiary and it must be performed within six months after the effective date of the beneficiary's first Part B coverage, but only if such Part B coverage begins on or after 1/1/05.

A new HCPCS code, G0344 (IPPE, face-to-face visit) will be used for billing the IPPE. As required by statute, this benefit always includes a screening EKG, which should be billed using new HCPCS codes G0366 for the full EKG service; G0367 (tracing only) or G0368 when only the interpretation and report are performed.

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40.10A1 stands for the version of the 835 transaction, Version 4, Release 1, Sub-release 0, Addenda 1. 40.10A1 is the version that HIPAA requires the payers provide. ANSI creates new versions as needed. The new versions are generally born from business requirements.

Other terms you may see are ASC and X12. ASC is the Accredited Standards Committee and X12 is the term used for the EDI standards. ASC is chartered by ANSI to develop these standards.

If you are interested in the details of the 835 transaction, you can receive documentation from Washington Publishing Company at <http://www.wpc-edi.com>.

OK, enough terms. How can this help you?

Quadax is now able to provide you with electronic remittance posting files from many more payers than ever before.

Quadax is presently processing electronic remittance advice files in the ANSI 40.10A1 format from over 50 different pay-

ers, plus a few that are not yet on ANSI 40.10A1.

- By utilizing these electronic files, you can significantly reduce the amount of labor associated with posting these payments and denials by hand.
- In addition to the reduced labor, you will improve accuracy by eliminating manual keying errors.
- Your remittance processing will be completed much sooner, allowing your billing system to create secondary claims in a more timely fashion!

If you use HARP these electronic remittance files are loaded directly into the Remittance Processing System. For Xpeditor customers, this data is also loaded into the system and can be provided in the 835 format or proprietary posting formats, as your billing system requires.

Make sure you are utilizing electronic remittance from any payer for which you submit electronic claims. This number is constantly increasing, so keep checking our website and release notes for more payers. ◇

(To “Q” You In, Continued from Page 1)

The MMA did not make any provision for the waiver of Medicare coinsurance and Part B deductible for the IPPE. Payment for this service would be applied to the required deductible, if the deductible has not been met.

For complete details, refer to Medlearn Matters Number MM3638: <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2005/MM3638.pdf>

Medicare B – Duplicate Claims for “Medically Reviewed” Services

Effective 7/5/05, there are important changes in the way Medicare contractors will handle claims for “medically reviewed” services. These changes affect claims containing any of the following:

- Any service which receives a denial on the basis of medically reasonable and necessary.
- Any service, for which the carrier requested, received and reviewed documentation, and then denied.
- Any service for which documentation was requested but not received.

With this change, providers may not resubmit claims denied for these reasons. Any other submissions will be considered duplicates and denied.

A Redetermination (Appeal) Request form must be submitted for the claims to be considered for payment. Requests must include copies of the original claim, the Remittance Advice Notice statement, a brief explanation of why you want the claim reviewed, and any additional information that was not originally provided. This form is available on the OH/WV Medicare website: www.palmettoGBA.com.

Find additional information on the CMS website: http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp ◇

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particular segments of the health care industry.

The authority for administering and enforcing compliance with the Privacy Rule has been assigned to the HHS Office of Civil Rights (OCR) while enforcement of non-privacy HIPAA rules has been delegated to the Centers for Medicare & Medicaid Services (CMS). CMS’s responsibility for enforcement of the rule extends to all covered entities whether or not they participate in federal programs. According to HHS data through January 31, 2005, OCR has received 10,785 privacy complaints since the Privacy Rule came into effect; 62% of the complaints have been resolved.

Comments from the public on all issues set forth in this NPRM will be considered by HHS until June 17, 2005. Submit comments by email to CMS0010.Comments@hhs.gov. Be sure to include “RIN:0991-AB29” in the subject line of the message. ◇

New CMS Projects and Rules

By: Janet Browning, Quality Assurance

The CMS has announced new initiatives to provide clear guidance on Medicare billing and a new demonstration project using Recover Audit Contractors (RACs) as part of CMS’ further efforts to assure accurate payments.

The demonstration will use the RACs to search for improper Medicare payments that may have been made to healthcare providers and that were not detected through existing program integrity efforts. California, Florida, and New York are the states that have been chosen for this three-year demonstration. Each RAC will begin work on claims that are at least one year old. The RACs will request claim history and medical

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Relay For Life to Benefit American Cancer Society

By: Lauren Plasterer, Supervisor, Systems—Xpeditor

Quadax employees are once again sponsoring a Relay for Life team, comprised solely of Quadax employees, to take part in Westlake's Relay for Life June 10th and 11th. The Relay for Life is the signature activity for the American Cancer Society, which offers the opportunity for a community to participate in the fight against cancer. Teams of people camp out at a local high school, park, or fairground and take turns walking or running a track or path. Each team is asked to have a representative on the track at all times during the event. Relays are an overnight event, up to 24 hours in length. The power of the Relay for Life is that it allows a community to grieve for those lost to cancer and to celebrate the lives of those who have survived.

The Relay for Life also raises funds. Teams solicit donations, have garage sales, hold car washes and more. Last year, Quadax employees raised over \$3,000 by holding Casual Dress Down weeks, selling cookbooks, and Bake Sales. This year our team captained by myself, Suzi Piskur, and Jenny Campobenedetto is determined to surpass that.

In order for us to reach our goal, front row parking spaces were raffled off, two casual dress down weeks were held, and employees provided baked goodies to sell every week.

Another fundraising event held at the Fairview Park office was a Departmental Coin War. Departments were given milk jugs to collect as many coins as possible over the course of a month. It became very competitive because the team that could collect the most change would win a catered breakfast and lunch for a day.

However, the fun part of the game came in when other teams were able to sabotage each other. We treated any paper money or checks written to American Cancer Society as negative money. This way when a team thought they were winning with large amounts of change another team would put in paper money, reducing the owning team's total. It was such a success that this fundraiser alone raised \$3,652.18 in loose change and \$707.00 in paper "sabotage" money, giving us a grand total of over \$4,300!

With still more than a month until the Relay, Quadax employees have generously raised over \$6,000 for the American Cancer Society! All of the Quadax employees deserve a huge round of applause for all their efforts! ◇

HARP Migration Update

By: Thomas W. Cronin, Manager of Software Quality Assurance

Quadax has successfully migrated its first HARP client to an HP-UX[®] computer. HARP is now live on the UNIX[®] operating system! After 15 months of analysis, programming, testing, and more testing, a smooth migration took place in April. For more information on our migration efforts, please refer to [HARP Migration Update](#) by Gene Calai in the February 2005 newsletter.

Quadax is now actively maintaining HARP for multiple operating systems. Included in the migration project, we developed proprietary software in HARP to monitor batch jobs (Show Jobs and Standard List Examiner) and print output (Print Spooler). Documentation for this software exists and is available for clients considering a migration or new clients running on HP-UX[®] or Windows Server[®] 2003. Additionally, any changes to HARP as a result of our migration efforts are clearly indicated in the HARP Release Notes.

HARP Add-on Components

HARP Add-on Components are additional features in HARP that can really help to improve your billing operations. These software components are proven to reduce operational expenses, improve compliance, increase billing efficiency, and provide powerful management information. Documentation for the first set of Add-on Components is now available in the HARP User Manual. These components include Deposit Log, Eligibility Verification, Overpayment Processing, Unclaimed Funds, and Work Lists. Documentation for a second set of Add-on Components will be published soon, and it will contain the much anticipated Patient Scheduling system. A complete list of all Add-on Components is also in the manual.

The Add-on Components publication is the next step in providing HARP clients with up-to-date and comprehensive information on HARP. For more information on activating an Add-on Component, please contact a HARP service consultant. ◇

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records, if necessary, to determine if over or underpayments exist.

CMS will be holding an open door forum in the near future to discuss the Recover Audit Contractor (RAC) demonstration. Visit <http://www.cms.hhs.gov/opendoor> for more information.

In addition, the CMS issued a proposed rule March 24, 2005 to requirements in the hospital Conditions of Participation (CoP's)

The intent of the changes is to reflect current medical practice standards, give hospitals and practitioners more flexibility in patient care, and reduce regulatory burdens. ◇

More information on this article available online at www.quadax.com/newsletter

EDI Conducts Annual Xpeditor User Conference

By: Benjamin Frayser, Newsletter Editor

The EDI department held its 3rd Annual Xpeditor User Conference at the Embassy Suites Hotel in Independence, Ohio, May 4th and 5th. The theme for this year's conference was 'Catch the Vision'. The 50-plus clients were given insights into some of the exciting new features of Xpeditor including the Xecutive Dashboard, as well as some tips and tricks on how to get the most out of our claims processing engine.

Following opening comments from EDI Department CEO Tom Kish, attendees were addressed by two keynote presentations from Mr. Charles Cataline of the Ohio Hospital Association and by Mr. Mike Robbins from the West Virginia Hospital Association. Overviews on the organization of the service departments were also presented on the first day.

This year's entertainment was a trip on the Cuyahoga Valley Scenic Railway through the Cuyahoga Valley National Park. The reception dinner was held in the quaint and historic town of Peninsula, Ohio, before boarding the train for the return trip to the hotel.

Day two consisted of four breakout sessions, each featuring

multiple presentations from which conferees could choose to attend. Some of the topics covered were New Features in Xpeditor; Remittance Processing; Using XpressBillers Claim Correction System; Xpeditor Tips and Tricks; and in-depth look at the Xecutive Dashboard, and more.

User Presentation given by Karen Fordham from Oakwood Labs in Michigan, Kristen Shoup from Wooster Community Hospital in Ohio, and Rita Grant from St. Elizabeth Medical Center in Kentucky highlighted the important ways that they've used Xpeditor to improve efficiency and the bottom line in their business offices.

A popular even again this year was the User Forum: questions submitted by attendees were addressed by a panel of experts including the CEO of EDI Services, the architect and director of development of Xpeditor, the Vice President of EDI Services, EDI's Operations Manager, and a Customer Support Manager who's also a hospital billing expert.

If you were unable to attend this year's conference we're sorry you missed out on the fun. Quadax will hold another conference next spring. We hope to see you there! ◇

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