

ASP Claim Processing

By: Tony Petras, VP/COO, EDI Services & Jim McCauley, VP, Sales

In the Healthcare Business Office, every day counts, so a process promising to accelerate reimbursement is certainly attractive. Prompt payment of clean primary claims, especially to Medicare, is fairly well assured in this day of electronic claims adhering to transaction and code set standards. Claims to payers secondary to Medicare, however, are often blamed for sending that 'Days in A/R' number climbing.

To solve this problem, Directors and Managers have traditionally looked for options for speeding up the submission of secondary claims, using software and processes specific to this task. Generally speaking, that has meant querying the Medicare Common Working File (CWF), two to four days after submission of a primary claim to Medicare, and extracting those elements required to create the claim to the secondary payer and the Explana-

tion of Benefits (EOB) which must accompany it. The secondary payer can then be billed before payment from Medicare has actually been received.

The ASP Issue

Because the software involved in accelerating secondary claim payment represents a financial investment, there is wisdom in evaluating the expected return on that investment. To accurately assess the value of such Accelerated Secondary Processing (ASP), several factors must be taken into consideration: the trend toward automated crossovers and Coordination of Benefits, the number of Medicare claims with secondary payers, and the payment schedules of secondary payers.

Automatic crossovers, once limited to those claims with a Medicaid or Blue Cross program secondary, will eventually be standard for most secondary payers, reducing if not eliminating the need or opportunity for generation

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HARP Gears Up for NPI

By: Kathy Novak, VP, Implementation and Support, A/R Services

Planning and development are underway to accommodate the implementation of National Provider Identifiers (NPI) in HARP. A Quadax team has been accumulating and digesting NPI news and instructions from the Centers for Medicare & Medicaid Services (CMS) and third-party payers. Additionally, we have been researching and preparing for the revised CMS-1500 and new UB-04 claim forms.

As outlined in the CMS Change Request #4230 (<http://www.cms.hhs.gov/transmittals/downloads/R2040TN.pdf>) dated February 1, 2006 Medicare is using a four-stage process for implementing the NPI. Below is a brief summary of these stages:

Stage 1 – Effective January 1, 2006: Carriers, DMERCs, and FIs will accept an NPI along with a Medicare legacy identifier, but the legacy identifier will still be used in claims processing.

Stage 2 – Effective October 2, 2006 through May 22, 2007: Carriers, DMERCs, and FIs will accept an NPI along with a Medicare legacy identifier. If an NPI is passed, it will be used in the Medicare Crosswalk for claims processing.

Stage 3 – Effective May 23, 2007 and later: Carriers, DMERCs, and FIs will require an NPI. Medicare legacy identifiers should not be used.

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Quadax Growth & Development

By: Cyndi Palmer, Marketing / Communications Manager

At Quadax, our greatest asset is our staff of incredibly talented, hard-working individuals; the success and growth we continue to experience is a direct result of their efforts. As we invest in the resources necessary to offer superior service to our expanding client base, our Quadax family is growing and maturing.

New to the team....

Quadax is pleased to welcome **Patrick Coury** to our EDI Services organization as a Sales Executive. Patrick brings with him more than fourteen years of healthcare experience, including office administration and patient billing, and he is affiliated with the American Association of Healthcare Administrative Management (AAHAM) and the Healthcare Financial Management Association (HFMA). Patrick makes his home in the Pittsburgh area, and looks forward to introducing Xpedito to hospitals and other healthcare groups throughout Pennsylvania. Patrick says that he's "excited to introduce such a unique service model to Pennsylvania," and then goes on to say, "I'm especially enthusiastic to be part of the Quadax team that is known for their responsive, 'roll-up-the-sleeves' style of customer support." Welcome to the team, Patrick!

Now in an expanded role....

In accordance with the Health Insurance Portability and Accountability Act (HIPAA), in the Final Security Rule [164.308(a)(2)], Quadax is pleased to announce that **Gene Calai**, our Director of Information Services, has also assumed the role of Quadax HIPAA Security Official, with responsibility for the ongoing management of information security policies, procedures, and technical systems in order to maintain the confidentiality, integrity, and availability of all organizational healthcare information systems, including all applications that contain electronic Protected Health Information (ePHI).

Mr. Calai, Vice President and Partner, joined Quadax in 1984. He provides leadership to an organization of 30 systems professionals: the groups of programmer/analysts responsible for the development and maintenance of all proprietary software products as well as Data Communications and Operations.

Newly Promoted....

We are very pleased to announce that **Mark Sprowls**, **Philip Conard** and **Trevor Myer** have each been promoted to the position of Vice-President.

Since joining Quadax, all three of these individuals have provided Quadax with extraordinary effort, significant contributions and exemplary work ethic. Each, in their own way, has provided Quadax staff members with significant leadership.

Mark Sprowls is responsible for Computer Operations, HARP development and production, the ASP portal, and our internal Customer Relationship Management system. A graduate of Mount Union College, Mark has been with Quadax since 1988. He was the lead analyst/programmer on the HARP 2.0 redesign, and is currently involved with the migration of HARP to HP-UX and the next generation of HARP.

Philip Conard came to Quadax in February of 1993, after graduating from Mount Union College with a BS in Computer Science. While at Quadax, Phil has occupied many key roles within Quadax's Systems department. These roles are highlighted in the titles of 'Manager of HARP Development' and 'IT Director of

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Business Services'. As of late, Phil occupied the position of 'General Manager of Business Services'. Within the new role of 'Vice President of Business Services', Phil will strive to bring quality comprehensive 'Enterprise Content Management' solutions to current and future Quadax clientele. In this effort Phil will maintain client and vendor relationships, be instrumental in sales activity and direct future product/solutions development.

Trevor Myer is the architect and lead developer of Xpedito, the EDI transaction management system in use by hospitals and other healthcare organizations throughout the region. Trevor, a graduate of Mount Union College, joined Quadax in 1992. Trevor leads a team of programmer/analysts dedicated to the development and support of all PC-based EDI products.

We applaud the contributions of these three individuals and offer them our best wishes for continued achievement and success as they assume their new titles and expanded roles at Quadax. ◇

Let Quadax Brighten Your Financial Future

By: David Michael, HARP Sales Executive

That was the slogan for the Quadax booth at the annual "G-2 Conference", held April 6-7 at the Renaissance Concourse Hotel in Atlanta, Georgia. Patrick Daley, Mike Kovacs and yours truly, David Michael, represented Quadax at the conference this year. The theme for this year's conference was ***Succeeding in The Outreach Market; It's All About The Culture***. Of particular notice was the fact that many of the distinguished speakers were Quadax customers.

According to Pam Damon, a Washington G-2 Reports representative, the term "G-2" "refers to an old military term referring to the ability to get insider information. That's the focal point of all G-2 reports and conferences... giving our subscribers the inside information on reimbursement, laboratory compliance issues and now even competitive pricing."

Quadax is a subscriber to G-2 publications (www.g2reports.com) as well as a sponsor at many of their events. This helps us to stay in front of the key executives from laboratories across the country.

One of the high points of the conference was when Chi Solutions, Inc. presented the results from their fifth annual national survey. They noted that one of the biggest problems for lab outreach programs is billing and collections. Almost every speaker talked about the need for improved technology and mentioned the idea of "outsourcing" the billing and collections functions. This bodes well for Quadax, since we are one of the leading AR Services companies in the industry.

Hopefully, I'll have a few new clients to tell you about soon! ◇



Quadax Account Executive Mike Kovacs makes his point to a potential customer at the April G2 Conference in Atlanta.

EDI Prepares for NPI

By: Tom Klemens, Edits & Documentation Group Manager

Quadax EDI representatives attended a Medicare seminar held on March 24th. Below is a summary of information about National Provider Identifier (NPI) presented at that seminar:

- If the legacy number is present from October, 2006 through May, 2007, Palmetto (the Ohio and West Virginia Medicare Part B intermediary) will use the legacy number and ignore the NPI.
- If only the NPI is supplied, Palmetto will crosswalk from NPI to the legacy number. (They are using this time to "perfect" their crosswalk.)
- No date has been set to discontinue the issuance of PIN numbers.
- No date has been set for the discontinuance of UPINs.
- If legacy numbers are supplied along with NPI and they do not match, it is not yet known if Palmetto

will reject the claim or default to the legacy number. However, the payer will not check validity of the NPI prior to May, 2007.

- If an NPI is supplied for the Group number, Attending numbers can be either the legacy number or the NPI until May, 2007.
- In addition, our EDI programmers are proactively addressing the imminent switch to NPI and have already finished restructuring all the maps to handle both the old Provider Number and the new NPI, which is for Block 51 (Provider Number), Block 82 (Attending Physician), and Block 83 (Other Physician). This is an especially timely development, given Emdeon's announcement that Aetna is now accepting NPI. ◇

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www.quadax.com/user

TO "Q" YOU IN (from page 3)

Medicare Part B Redeterminations

Effective for Part B redeterminations (formerly "reviews") issued and mailed by Palmetto GBA on or after January 1, 2006, you may appeal the redetermination decision to a Qualified Independent Contractor (QIC). Palmetto no longer handles these requests. CMS issued new guidelines in Change Request #3939 (<http://www.cms.hhs.gov/transmittals/downloads/R724CP.pdf>) and #3944 (<http://www.cms.hhs.gov/transmittals/downloads/R688CP.pdf>) regarding this change.

All requests for reconsideration must be accompanied by any additional documentation to support the request. Below are the appropriate addresses to send the request, based on Date of Redetermination and State in which services were performed. ◇

Date of Redetermination	State in which services performed:	Send to Contractor:
Prior to 1/1/2006	Ohio West Virginia	Palmetto GBA PO Box 182993 Columbus, OH 43218-2933
1/1/2006 or after	Ohio only	Q2 Administrators, LLC Part B/ DME West Operations PO Box 100313 Columbia, SC 29202-0213
	West Virginia only	Q2 Administrators, LLC Part B East operations PO Box 183092 Columbus, OH 43218-3092

The HARP NPI implementation strategy targets Stage 2 to begin passing/printing NPIs by October 2, 2006. Prior to that date, the HARP development staff will create NPI fields within HARP, revise our electronic claim output format, and update the claim print program for the revised CMS-1500. The HARP UB-04 claim print program will be completed in early 2007, in time for the scheduled replacement of the UB-92 between March – May 2007.

We ask that you please wait to enter Provider NPIs into HARP. We will let you know when HARP is ready for NPIs to be added via HARP Release Notes. We will also be collecting NPIs for providers billing electronically at that time so our EDI department may update their files. ◇

HARP GEARS UP FOR NPI (from page 1)
Stage 4 – Effective May 23, 2007 through May 22, 2008: Carriers, DMERCs, and FIs will transmit Coordination of Benefits (COB) claims to small trading partners with NPI only.

To accommodate the NPI transition, a revised CMS-1500 has been announced by the National Uniform Claim Committee (see CMS CR 4293 <http://www.cms.hhs.gov/transmittals/downloads/R899CP.pdf> and [www.NUCC.org](http://www.nucc.org)). Payers should accept the revised form starting October 1, 2006. For institutional billing, a new form, UB-04, has been announced by National Uniform Billing Committee (see [www.NUBC.org](http://www.nubc.org)). Payers should accept this form starting March 1, 2007.

CMS Notice: Suppression of SPR

By: Janet Browning, Quality Assurance Specialist

CMS has announced (Change Request #4376 <http://www.cms.hhs.gov/transmittals/downloads/R885CP.pdf>) that effective June 1, 2006, Medicare carriers and DMERCs will stop mailing standard paper remittance (SPR) advices to those providers (or a billing agent, clearinghouse or other entity representing the provider) also receiving an Electronic Remittance Advice (ERA) for 45 days or more.

Any provider not currently receiving ERA that subsequently signs up to receive it will also lose the SPR 45 days after the first ERA is received.

CMS has developed software, called Medicare Remit Easy Print (MREP), that gives the provider a tool to view and print an ANSI 835 ERA in a readable format locally on your computer. The MREP software allows you to print remittance information for individual or multiple selected claims, as well as print several useful reports. Currently the raw 835 data that this software uses is converted for HARP clients to the HARP posting records format, used for HARP remittance posting, and used to create EOBs.

Quadax is in the process of adding access to the raw 835 in HARP and anticipate having the necessary data for the MREP software available for our HARP clients to use in the near future. ◇

Medicare to Delay Payment

By: Catherine Sicker, Compliance Officer

Buried in Sec. 5203 of Public Law 109-171 (the Deficit Reduction Act of 2006) http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_public_laws&doc_id=pub1171.109.pdf is a mandate (http://www.cms.hhs.gov/Transmittals/2006Trans/item_detail.asp?filterType=keyword&filterValue=4349&filterByDID=0&sortByDID=1&sortOrder=ascending&itemID=CMS060588) for the Centers for Medicare & Medicaid Services (CMS) to hold Part A and Part B payments for all claims from September 22, 2006 through September 30, 2006, the end of the Federal fiscal year.

This delay effectively defers the expense until fiscal year 2007. More specifically:

- The hold applies to all paper and electronic claims subject to payment, including PIP, MSP, RAPS, beneficiary, etc.
- It does not apply to full denials and no-pay claims.
- Claims held as a result of this one-time policy will be paid on October 2, 2006.
- No interest or late penalty will be paid to a provider for any delay in a payment.
- Medicare contractors will continue to apply the 14-day electronic claim payment floor and 29-day paper claim payment floor.
- Contractors have the option to send cross-over files during the payment hold ◇

ASP CLAIM PROCESSING (from page 1)

and submission of hardcopy claim and EOB forms. The ANSI standard adopted for electronic claim submission according to the provisions of HIPAA also contains the requirements for electronic transfer of claims from Medicare to other payers. To facilitate that transfer, the Coordination of Benefits Agreement (COBA) Program has established a nationally standard contract defining the criteria for transmitting enrollee eligibility data and Medicare adjudicated claim data. Parallel (beta) testing with ten COBA trading partners beginning in July 2004 allowed for the identification and correction of several issues; standard testing for trading partners is now underway.

Automatic crossover claims... will eventually be standard for most secondary payers.

Evaluating Your Need

Because the process of Accelerated Secondary Processing is potentially costly and time-consuming, it is worthwhile to evaluate how many Medicare claims do record a secondary payer, what individual co-pays may be, and what amounts may apply to deductibles. A decision to accelerate the billing process may be warranted if any of those volumes are significant. Should such an evaluation reveal, however, that the number of Medicare claims qualifying for additional reimbursement is small, it may not prove cost-effective to implement an Accelerated program.

Payment schedules of secondary payers are likewise worthy of evaluation. Does a payer have a semi-monthly payment schedule, which may mean that regardless of how quickly the claim gets to them, it may be scheduled for payment two weeks out? If a secondary payer generates payments on the 15th and 30th of the month, for example, it may not be prudent to make the investment to accelerate secondary claim creation on the 16th or 1st of a month. Unless the timing is perfect, hurrying a claim to a payer with a semi-monthly payment schedule will not result in any faster reimbursement than if the claim were submitted using the normal remittance process. Furthermore, some payers have determined that a claim secondary to Medicare may be held for 30 days before releasing payment and still meet legislative timely filing guidelines.

Solutions

Weighing these factors, along with our desire to satisfy client interest in an accelerated capability, against the cost of investing in the development of a proprietary system, has resulted in our decision to partner with Emdeon (formerly WebMD). Emdeon Medicare Secondary Billing – Accelerated (formerly Accel) offers these and other features and benefits:

- Performs immediate claim status inquiries against the Medicare on-line system (CWF)
- Offers flexible data retrieval and reporting capabilities
- Allows providers to bill secondary claims 10 to 12 days before payment is received on the primary claims
- Collates and prints your secondary claims and EOBs, using stock paper rather than expensive UB92/CMSI500 forms

Those who remain “on the fence” with regard to the concept of accelerated processing may find that our Automatic Secondary Payer functionality, coupled with the increasing number of payers that are accepting Coordination of Benefit (COB) claims electronically, provides a complimentary cash flow alternative.

Your EDI Support Representative would be happy to review all options for secondary billing with you; feel free to phone the EDI Client Support Center at (866) 422-8079 or log an event to the Help Desk through the Quadax ASP Portal to ask for a consultation. ◇

To “Q” You In

By: Janet Browning, Quality Assurance Specialist

Medicare Part B Redeterminations

CMS recently published Medlearn matters article SE0605 (<http://www.cms.hhs.gov/MLN/MattersArticles/2006MMAN/List.asp#TopOfPage>) that provides an overview of the software systems Medicare uses to process claims. This article is intended to provide an explanation of the Shared Systems used by CMS to process claims submitted by Medicare contractors.

Using certain systems, known within CMS as “Shared Systems,” the Medicare contractors perform traditional claims processing services and send claims to another Medicare system, known as the Common Working File (CWF) system, for verification, validation, and payment authorization. Responses are returned from the CWF concerning payments to the FI, RHHL, CMEERC, or carrier, who then pays for the service, if appropriate.

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Gaining the EDGE

By: Tony Petras, VP/COO EDI Services

Responding to an ever-increasing level of interest in the process and methods by which Quadax determines the why’s and how’s of coding an edit has resulted in the formation of the *Edits and Documentation Group* within the EDI Services Department. The four individuals (Manager Tom Klemens and Analysts Joni Dragin, Barb Ballas, and Linda Davis) that make up the group have been functioning in separate, yet complimentary roles within Quadax, but are now being channeled into what is seen as a new and vital component of the company.

Not a compliance department, per sé, this group is responsible for gathering facts and incorporating documentation from implementation guides, payers, and other third-party organizations that can be posted into the Quadax Knowledge Base so that anyone utilizing the Xpeditor application can ‘right click’ on the error message and link to a page that details the rationale and supporting material to justify the edit rule.

The *Edits and Documentation Group* is already functioning in conjunction with our two Payer Monitoring Committees (the ‘HCFA’ Insurance Committee and the UB Edits Group) – the results of which are chronicled in our monthly newsletter, *Connections*.

Additional tasks for which the *Group* is responsible include: maintaining the dynamic payer list; managing LCD and NCD rule changes; monitoring OCE updates; acting as a funnel for all edit requests so that the *Blueprint* is followed and results can be verified, clarified, and simplified into our edit documentation.

The *Group* is new, but the personnel and experience derives from an established and valuable set of existing assets. Be sure to watch for announcements related to our improved edit documentation, as this group takes on the challenge of this work-in-progress. ◇

The Final HIPAA Enforcement Rule

By: Catherine Sicker

As reported in the May 2005 issue of Q-Tips (<http://www.quadax.com/newsletter/2005May/TOC.htm>), 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. At long last, the final enforcement rule has been published in the February 16, 2006 Federal Register (<http://www.hhs.gov/ocr/hipaa/FinalEnforcementRule06.pdf>) and took effect March 16.

The final rule clarifies the enforcement process HHS developed when it issued the privacy rule in 2000 and the interim enforcement rule in 2003. The final rule contains no substantive changes and continues to be complaint driven. ◇

The Language of Business

By: Chuck Parker, EDI Project Leader

Every day, Quadax transmits millions of dollars worth of claims to insurance companies all over the country, from hospitals and physician offices alike. Performing this task daily requires dedicated detail-oriented people, perseverance, an effective quality control processes, and sometimes a lot of caffeine. It also takes a system that handles all of these claims in an efficient and controlled manner.

Quadax is getting ready to take the next step in learning “The Language of Business”. We have invested in a new Enterprise version of the Sterling Commerce GIS Translation and Business Process modeling software. While we use translator technology in our current process, this new package will move Quadax in a new direction. The Sterling Commerce GIS software will allow us not only to upgrade our tools that we use to map the data from our key systems, like HARP and Xpeditor, but will also change our company’s mindset into the world of Business Processing modeling. This new package will allow us to graphically build, maintain, and document our internal business process that handles the data being sent to all of our trading partners.

This change in software concept will force us not only to review our current processes, so that they may be programmed using the new package, but will also provide the potential to see other benefits, like a more consistent interface, self-documenting procedures, and other enhancements that will allow us to move towards a more real-time environment for processing claims and other related transactions.

Our goal is to ensure that Quadax maintains, and even exceeds, the level of processing and product satisfaction our clients are accustomed to, while simultaneously moving forward to handle future transactions such as attachments. This is just one more way that Quadax is working to make sure your data gets to its destination in the most timely and accurate way possible. ◇