

SUBMITTING ELECTRONIC CLAIMS TO THE EARLY INTERVENTION CENTRAL BILLING OFFICE

Update – March 12, 2004

*This document is not intended to serve as legal advice.
Providers seeking legal advice on their responsibilities under HIPAA should consult with their own legal counsel.*

HIPAA Background Information

The Administrative Simplification provisions of the Health Insurance Portability & Accountability Act (HIPAA) are intended “to reduce the number of forms and methods of completing claims and other payment-related documents; to use a universal identifier for providers of health care; and to increase the use and efficiency of computer-to-computer methods of exchanging standard health care information.”

Under this legislation, any covered entity that chooses to transmit electronic claims to the Early Intervention Central Billing Office must conduct the transaction as a “standard transaction” (i.e., the claim must be submitted in HIPAA-compliant format). HIPAA-compliant formats do not apply to paper claims; they only apply to electronic claims. Therefore, if a provider wishes to continue submitting claims in a non-electronic format (i.e., hard copy paper claims), the provider may do so, and is not required to submit those claims in HIPAA-compliant format. Please note that all claims, whether paper or electronic, must adhere to the guidelines issued by DHS on September 22, 2003, titled “New Early Intervention Billing Codes and Place of Service Codes Crosswalk Tables.”

For any provider who wishes to submit claims electronically, the payer is required under HIPAA to be able to receive and process his or her HIPAA-compliant claims. Therefore, the EI-CBO is required to accept electronic claims in the standard (HIPAA-compliant) format.

With HIPAA, the goal is to make a common language that all electronic transactions must “speak”. If the provider wishes to bill electronically, it is the provider’s responsibility to produce the electronic claims in HIPAA format.

HIPAA’s Effects on the EI-CBO

The EI-CBO has upgraded its claims processing system by purchasing a “translator”. The translator software allows the EI-CBO to receive claims in HIPAA-compliant format, and then reformats the claims so the EI-CBO system can process them. The translator does not convert providers’ claims into HIPAA-compliant format; it is the responsibility of the provider to convert their claims into the standard format before sending them to the EI-CBO.

HIPAA’s Effects on Providers

In theory, it is ideal for all providers and payers to speak the same language. In reality, it will take years before the software billing industry catches up with HIPAA, and before all systems speak the same language. The result is that current providers (submitting electronic claims) and payers must modify their systems to comply with HIPAA, and incur the associated costs.

Currently, billing software packages utilize various different formats for compiling data. With HIPAA, the goal is to make a common language that all electronic transactions must “speak”. In the example below, two providers generate claims in two different electronic formats (“ABC” and “XYZ”). If either provider wishes to submit his or her claims electronically directly to the EI-CBO, the provider must translate these non-standard formats into the HIPAA format before sending the electronic claims to the EI-CBO.

EXAMPLE:

Provider A –ABC format → HIPAA format (then send to EI-CBO for processing)

Provider B –XYZ format → HIPAA format (then send to EI-CBO for processing)

While it may seem inefficient at this point, the goal is for future efficiencies to be realized once all systems and software are in sync with the common language. Fortunately, HIPAA does allow providers to continue billing in non-electronic format. Due to the potential investment that a provider may need to incur to be HIPAA-compliant with electronic claims, the provider may decide not to bill electronically at this point.

How Providers Can Generate HIPAA-compliant Electronic Claims

Providers have several options for generating electronic claims in the standard format:

- (1) Use their existing billing system, if it is capable of producing HIPAA-compliant electronic claims.
- (2) Modify their existing billing system to produce HIPAA-compliant claims. This usually involves purchasing an upgrade to the billing software, or paying the software vendor to make changes to the system.
- (3) Purchase an add-on software product to interface with their existing billing system. The product serves as a translator and thereby produces HIPAA-compliant claims. (The EI-CBO can provide a list of software products, if desired.)
- (4) Use a clearinghouse to translate their non-standard claims into standard (HIPAA-compliant) format, and to send the claims on to the EI-CBO.

Under HIPAA, a clearinghouse is a public or private entity that does either of the following functions:

- (1) Processes or facilitates the processing of health information received from another entity in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction. (Translates data that is not HIPAA-compliant into the HIPAA-compliant format.)
- (2) Receives a standard transaction from another entity and processes or facilitates the processing of health information into nonstandard format or nonstandard data content for the receiving entity. (Translates data that is HIPAA-compliant into a non-compliant format.)

How Providers Transmit HIPAA-Compliant Claims to the EI-CBO

Once a provider has generated HIPAA-compliant claims, these claims can be transmitted to the EI-CBO in one of two ways:

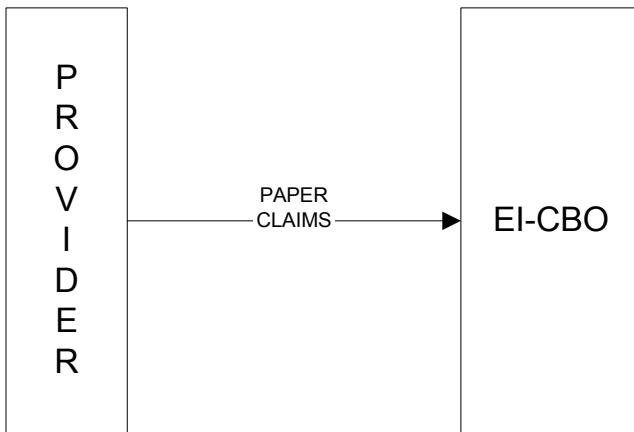
- (1) Transmit claims directly to the EI-CBO.
- (2) Use a clearinghouse to transmit the claims to the EI-CBO.

These options are explained in detail on the following pages.

OPTION #1: CONTINUE SUBMITTING PAPER CLAIMS TO THE EI-CBO

HIPAA does not require providers to bill electronically. If a provider chooses to bill electronically, the transaction must be in HIPAA format (standard). However, if a provider wishes to continue submitting paper claims to the EI-CBO, the provider may do so. The only requirement is that the new HIPAA codes be used.

The advantage of billing electronically is that claims are processed more quickly, and the provider receives electronic remittance that notifies the provider of any claims that are not acceptable. This allows claims to be re-submitted in a timelier manner, and therefore processed more quickly. However, for many providers, these advantages may be outweighed by the potential investment required to be able to produce HIPAA-compliant electronic claims.



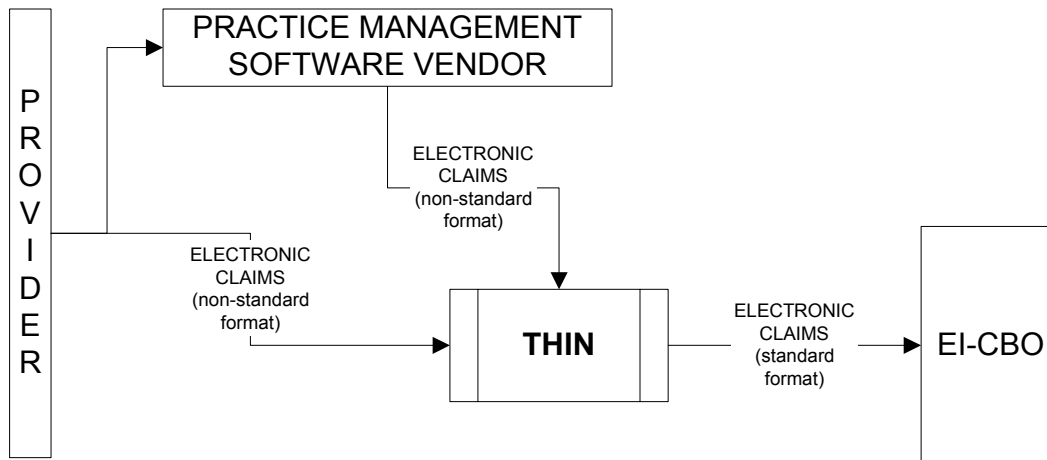
OPTION #2: SUBMISSION OF CLAIMS THROUGH THE THIN CLEARINGHOUSE

HIPAA requires that a provider submit electronic claims in the HIPAA-compliant format (a "standard transaction"). While most large providers are equipped with a computerized billing system that is capable of generating *electronic* claims, some of these billing systems are not capable of generating electronic claims *in a HIPAA-compliant format*.

Therefore, to achieve HIPAA-compliance with electronic claims submission, one option is for providers to use a clearinghouse, which will translate their existing electronic claims into a HIPAA-compliant format, then transmit the claims to the EI-CBO.

Based on research conducted by the EI-CBO, THIN is the first clearinghouse with which the EI-CBO has partnered. THIN was chosen because a number of EI providers are either already using THIN, or are using a clearinghouse that has a relationship with THIN.

With this option, the provider submits non-compliant electronic claims to the THIN clearinghouse, which translates the claims into HIPAA-compliant format and then sends the claims on to the EI-CBO:



This option is ideal for EI providers whom are already submitting claims through THIN, or for providers whom do not currently have a clearinghouse but need translator services to produce HIPAA-compliant claims. This option requires that the provider have a computerized billing system capable of generating electronic claims and transmitting them to the clearinghouse, and that the provider have a relationship with THIN.

Current Status of Option #2: The EI-CBO is currently working with THIN to test EI claim submission for providers who already submit claims to other payers via THIN. **Any provider who currently submits other claims to THIN can begin sending EI test claims to THIN immediately.** To do so, the provider must contact his or her THIN representative for information on how to send test files to the Early Intervention Central Billing Office (Payer ID 36434), and must contact the EI-CBO hotline at toll-free 1-800-634-8540 to notify the EI-CBO that he or she will be sending test claims. (Please select menu item #1 – "for providers", then menu item #2 – "changing provider information".)

Once the testing phase is completed with THIN, any EI provider already submitting claims through THIN can begin submitting his or her EI claims to the EI-CBO via THIN. Based on their experience with the testing process, THIN anticipates testing should be complete by mid-April 2004. Completion of the testing phase will be communicated to providers via:

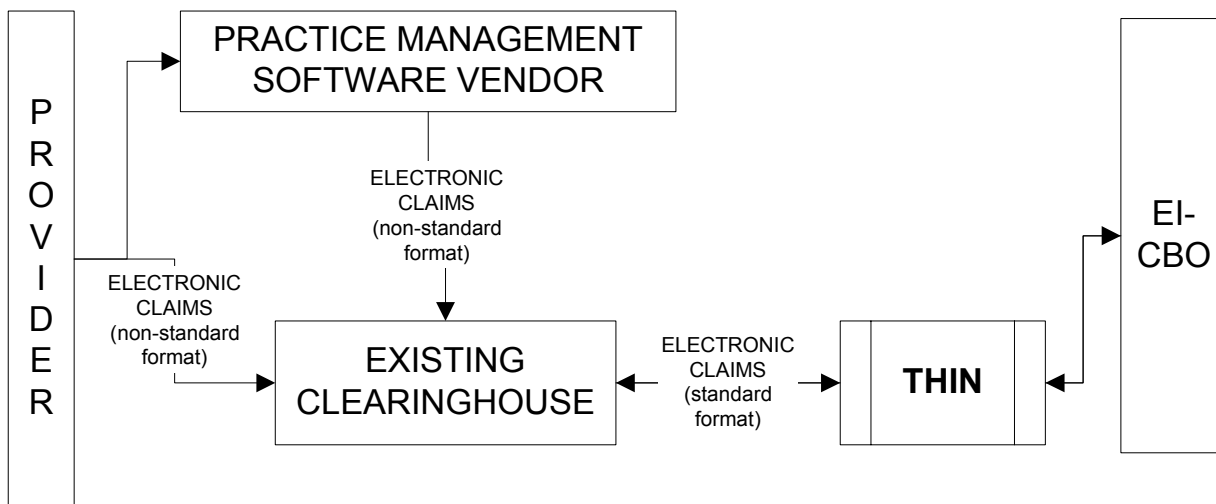
- THIN, who will notify their current provider customers of this capability via their website bulletin board and posted payer list
- An updated version of this document posted on DHS' web site.
- A notice sent out with Explanation of Benefits (EOBs).

When testing is complete, any EI provider already submitting claims through THIN can notify his or her THIN representative of the desire to submit claims to the EI-CBO, and begin doing so.

OPTION #3: SUBMISSION OF CLAIMS THROUGH THE PROVIDER'S EXISTING CLEARINGHOUSE TO THIN

HIPAA requires that a provider submit electronic claims in the HIPAA-compliant format (a "standard transaction"). While most large providers are equipped with a computerized billing system that is capable of generating *electronic* claims, some of these billing systems are not capable of generating electronic claims *in a HIPAA-compliant format*.

Therefore, to achieve HIPAA-compliance with electronic claims submission, an option for providers whom already contract with a clearinghouse is to send their claims to their existing clearinghouse. Their clearinghouse will translate the claims into a HIPAA-compliant format, and then transmit the claims to THIN for transmittal on to the EI-CBO:



Based on research conducted by the EI-CBO, THIN is the first clearinghouse with which the EI-CBO is contracting. THIN was chosen because many EI providers are either already using THIN, or are using a clearinghouse that has a relationship with THIN. However, most major clearinghouses have relationships with each other to allow providers to efficiently submit to a single clearinghouse. Therefore, although the EI-CBO has contracted with THIN, it is likely that a provider's existing clearinghouse has an established relationship with THIN. It is also possible to work through the vendor of a computerized billing or practice management system who may already work with a clearinghouse to establish a relationship with THIN.

This option is ideal for EI providers whom already submit claims through another clearinghouse (besides THIN). This option requires that the provider have a computerized billing system capable of generating electronic claims and transmitting them to the clearinghouse, and a relationship with a clearinghouse whom is willing to work with THIN.

Current Status of Option #3: The EI-CBO is currently working with THIN to test EI claim submission for providers whom already submit claims to other payers via THIN. Once testing is complete with THIN, the EI-CBO will be considered in full production, and any provider submitting claims to other clearinghouses with relationships with THIN can begin submitting claims via their existing clearinghouse to THIN and on to the EI-CBO.

Based on their experience with the testing process, THIN anticipates testing should be complete by mid-April 2004. Completion of the testing phase will be communicated to providers via:

- THIN, who will notify their current provider customers of this capability via their website bulletin board and posted payer list. THIN will also notify their three largest clearinghouse partners (WebMD, ProxyMed and ENS) that their provider customers can now submit claims via THIN to the EI-CBO.
- An updated version of this document posted on DHS' web site.
- A notice sent out with Explanation of Benefits (EOBs).

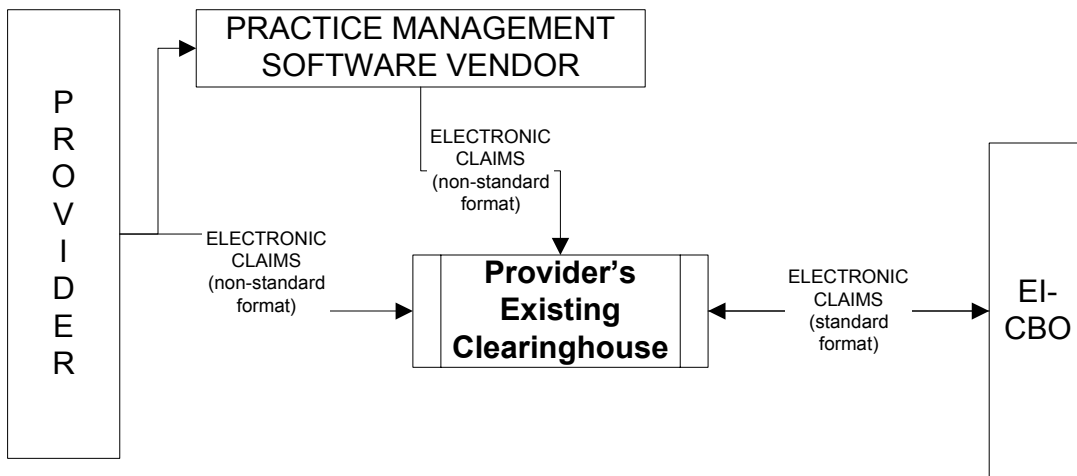
The process and timeline for submitting claims through another clearinghouse to THIN depends on the clearinghouse being used. The first step is for the provider to check with his or her existing clearinghouse to determine if they have an established relationship with THIN. If the clearinghouse already has an established relationship with THIN, the clearinghouse representative should be able to give the provider an estimated timeframe.

If the provider's existing clearinghouse does not have an established relationship with THIN, the provider must request that his or her clearinghouse establish a relationship with THIN. It is our understanding that clearinghouses are willing to work together to establish relationships, as they benefit from the relationship (per-claim revenues collected from the payer are shared). If a provider's existing clearinghouse does not have a relationship with THIN, the provider should request the clearinghouse to begin working with THIN to establish a relationship.

OPTION #4: SUBMISSION OF CLAIMS THROUGH THE PROVIDER’S EXISTING CLEARINGHOUSE TO EI-CBO (BYPASS THIN)

HIPAA requires that a provider submit electronic claims in the HIPAA-compliant format (a “standard transaction”). While most large providers are equipped with a computerized billing system that is capable of generating *electronic* claims, some of these billing systems are not capable of generating electronic claims *in a HIPAA-compliant format*.

Therefore, to achieve HIPAA-compliance with electronic claims submission, an option for providers whom already contract with a clearinghouse is to send their claims to their existing clearinghouse. Their clearinghouse will translate the claims into a HIPAA-compliant format, and then transmit the claims to the EI-CBO:



Current Status of Option #4: If a provider is currently submitting to a clearinghouse and wants to submit directly from his or her existing clearinghouse to the EI-CBO (and not use THIN), the provider should contact the EI-CBO hotline at toll-free 1-800-634-8540 immediately (please select menu item #1 – “for providers”, then menu item #2 – “changing provider information”).

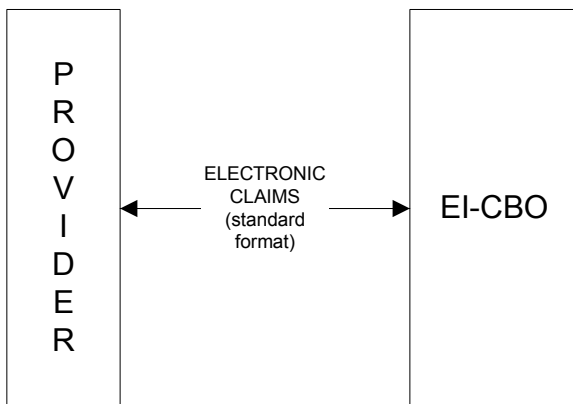
The EI-CBO will work with any existing clearinghouse to establish a relationship in order to receive EI claims. Please note that establishing new relationships with clearinghouses does take time, as the testing phase must be repeated with each clearinghouse.

OPTION #5: DIRECT SUBMISSION OF CLAIMS TO THE EI-CBO

HIPAA requires that a provider submit electronic claims in the HIPAA-compliant format (a "standard transaction"). Some providers are equipped with a computerized billing system that is capable of generating *electronic claims in a HIPAA-compliant format*. Therefore, these providers can generate HIPAA-compliant electronic claims without the aid of a clearinghouse or additional software products.

Other providers have computerized billing systems that are capable of generating electronic claims (in a non-HIPAA compliant format). These providers can purchase a translator software product to interface with their existing billing system to translate the claims into HIPAA-compliant format.

With either of these options, the provider does not need the services of a clearinghouse, but can submit his or her HIPAA-compliant claims directly to the EI-CBO:



This option is ideal for providers with systems capable of generating HIPAA-compliant files, or for providers whom do not wish to use the services of a clearinghouse and instead choose to invest in an add-on software translator.

Requirements:

- Computerized billing system capable of generating a HIPAA-compliant file in the ANSIX124010A format.
- Internet connection.
- IT resources available to assist with the technical aspects of the process.

In addition, due to the resources needed by both the provider and the EI-CBO to establish a direct connection, it is recommended that the provider submit a minimum of 400 EI claims per month. A provider submitting less than this volume of claims to the EI-CBO may find it more cost effective to use the services of THIN. However, the EI-CBO will work with any provider to determine the best and most efficient method.

Current Status of Option #4: The EI-CBO is currently accepting claims directly from one EI provider capable of generating HIPAA-compliant files. EI providers interested in this option should contact the EI-CBO hotline at toll-free 1-800-634-8540 immediately (please select menu item #1 – "for providers", then menu item #2 – "changing provider information") to begin the process of establishing a direct connection with the EI-CBO.

Frequently Asked Questions (FAQ)

Q: I am currently submitting hard-copy paper claims to the EI-CBO. Can I continue to do this? If so, do my claims have to be HIPAA-compliant? (3/12/04)

A: If a provider wants to continue submitting paper claims to the EI-CBO, he or she can do so. Most small providers will probably find this to continue to be the most cost-effective means by which to submit claims. These claims do not have to be in HIPAA-compliant format, but they do have to use the new HIPAA codes. Only electronic claims must be in the standard format. (Refer to option #1)

Q: My billing software can generate electronic claims that are HIPAA-compliant. Do I need a clearinghouse? (3/12/04)

A: No. If a provider's billing system can produce HIPAA-compliant claims, these claims can be sent directly to the EI-CBO – a clearinghouse is not needed. The EI-CBO is currently receiving claims directly from EI providers with this capability. (Refer to option #5)

Q: My billing software can generate electronic claims, but they are not in the standard HIPAA format. Can I send these to the EI-CBO? (3/12/04)

A: No. HIPAA requires that any electronic transaction must be a standard transaction. A provider in this situation can use a clearinghouse to translate the claims (option #2), or can make an investment in an add-on software translator (option #5).

Q: I am currently submitting electronic claims to other payers through the THIN clearinghouse. When can I send claims to the EI-CBO? (3/12/04)

A: The EI-CBO is currently testing with THIN. If a provider already submitting through THIN would like to participate in the testing phase, he or she can send test claims to the EI-CBO via THIN immediately. If the provider does not want to participate in the testing phase, he or she can send claims once the testing is complete and the EI-CBO is in full production status (estimated mid-April 2004). THIN will notify their current provider customers of this capability via their website bulletin board and posted payer list. At that point, any EI provider already submitting claims through THIN can notify their THIN representative that they want to submit claims to the EI-CBO, and begin doing so. (Refer to option #2)

Q: I am not sending claims to THIN, but I am sending claims to another clearinghouse. What are my options? (3/12/04)

A: The most efficient option for providers sending claims to clearinghouses other than THIN is to send claims via their existing clearinghouse to THIN (option #2). THIN will be ready to receive claims for the EI-CBO from other clearinghouses once the testing phase is complete (estimated mid-April 2004).

Once THIN is ready, the timeline and process for submitting claims through an existing clearinghouse to THIN will depend on the clearinghouse. If the clearinghouse already has an established relationship with THIN, the clearinghouse representative should be able to give the provider an estimated timeframe. If the clearinghouse does not have a relationship with THIN, the provider should request that they establish a relationship. Most clearinghouses are willing to work together to establish relationships, as they both benefit from the relationship (per-claim revenues collected from the payer are generally shared).

A second option is to send claims to the existing clearinghouse, then directly to the EI-CBO (option #4). This option will require that the EI-CBO establish a relationship with the clearinghouse, and complete a testing phase prior to being able to receive the provider's claims directly.

Q: When will the testing process with THIN be complete? (3/12/04)

A: As of March 12, THIN anticipates the testing phase will be complete in mid-April.

Q: What does the "translator" that the EI-CBO purchased do? Does it translate claims into HIPAA-compliant format for providers? (3/12/04)

A: The translator software the EI-CBO purchased allows the EI-CBO to receive and process claims in HIPAA-compliant format. Prior to HIPAA, the EI-CBO system could not receive claims in HIPAA-compliant format; the translator now allows the EI-CBO to "speak" the HIPAA language and process standard transactions.

The EI-CBO's translator software does not translate providers' claims into HIPAA-compliant format. If the provider chooses to submit electronic claims to the EI-CBO, it is the provider's responsibility to convert the claims to HIPAA-compliant format.