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## Memorandum

To: Mamta Gentry  
From: Cheryll Collier *ma hcc*  
Thru: Melissa Robinson, Glenda Raynor, Tom Lambert, Tom Galligan  
Date: March 01, 2005  
Subject: Requesting Approval for a Cut-Off Date for Non-HIPAA Compliant Transactions

This memo is to request your approval for a cut-off date for discontinuing the acceptance of non-HIPAA compliant transactions. The official cut-off date would be six months to the day of your approval by signature.

Please find attached a copy of the transition proposal document that was sent to DMA on February 07, 2005.

Your signature below indicates acceptance and approval.

*Mamta Gentry*  
Mamta Gentry, DMA IS Mgr

*3-15-05*  
Date

*1505,025*  
DMA Memo #

*Lacey Barnes, AD-R+P 3/15/05*



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AD050006

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cc: Lacey Barnes (2) MMS 1 + 2

## Draft Proposal Document

### Successful transition of all Electronic Submitter groups from Non-Compliant to fully HIPAA Compliant claim formats

#### PROPOSAL

- A 90%+ Percentile of transition from Non-Compliant to Compliant electronic claims submission can be achieved within 6 months of DMA approval. If approval is obtained by 3/1/2005, then the target date for transition would be September 1, 2005 for all groups indicated in the Volume Statistics Report and Provider Type breakdown chart noted on pages 3-5.

#### TRANSITION STRATEGY

The developed transition strategy will utilize multiple resources to ensure transition success. The following conditions have been identified as critical to the success of meeting the 90+ Percentile within a 6 month timeline:

- Data analysis of Non-Compliance Target Audience - Data analysis will be continually performed to identify and target the non-compliant submitters. This information will enable the EDS ECS team to prioritize contacts and testing procedures for submitters within each transition group. This will ensure the largest volume submitters are targeted first and enable us to work towards each provider submitting non-compliant transactions.
- Contact Methods - A series of contact methods will be used to communicate the required transition date and avenues available for facilitating the transition as noted below:
  - Letters to each identified provider and billing agent informing them of the requirements, timeline, and directing them to EDS ECS for assistance with the transition;
  - Phone contacts to providers and billing agents will be made to convey the requirements, timeline, and how we can assist them in their transition;
  - North Carolina Medicaid bulletin articles - publishing articles that highlight the transition time period and the available avenues to assist them;
  - Provider Association Communications - requesting associations to assist in communication and support of this goal; and,
  - Training - Hands on training via workshops as noted in the Comprehensive Training class below
- Comprehensive Training classes - Comprehensive NCECS-WEB training workshops are essential to supporting the provider and billing community with the knowledge needed to transition to the NCECS-Web tool. The location and number of classes are directly dependent upon the number and type of Providers within each transition group. The recommendation is to hold up to 5

## Draft Proposal Document

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workshops to allow maximum access by Providers to the training. These workshops will be provided and located as part of our current contractual requirements.

- o Joint Provider Services/ECS Training classes will be conducted with providers and submitters to reduce transition time and provide confidence-building one-on-one contact with the provider and billing community.
- o Additional leverage for hands-on training will be gained through Provider Service Representative visits for providers needing specialized attention within their workplace.
- Update and Expand the Web Tool On-Line Help resources - The current on-line help resources will be enhanced to include examples for the Institutional and Professional claim forms in addition to the current Dental example. EDS ECS resources will handle this transition aspect and we anticipate completion of this within 60 days of DMA approval.
- Monitoring Compliance - Once the transition deadline is reached; EDS ECS will monitor compliance and if providers revert to non-compliant formats we will provide them with one notification of non-compliance, i.e., we will allow a one-time submission of a non-compliant file. After the one-time allowance, we will format a file message to reject future transmissions and provide them with messaging to inform them to comply with submission of HIPAA compliant transactions.
- Exception Provision to Deadline - If a provider or billing agent can provide documentation noting hardship and demonstrates a date of compliance beyond the deadline but no more than 3 months beyond the established deadline, then we will review and discuss with DMA to determine if the request warrants an exception.

Throughout this process, EDS will communicate status and provide DMA with continual feedback as to the progress of meeting the transition goal.

## Draft Proposal Document

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Compliant claim formats

### Volume Statistics Report – Non-HIPAA Compliant Formats

Period: October - December 2004

The data in this report is based upon a 3-month period running October – December 2004. This information is based on estimates compiled from archived history of electronic claims transmission files received during the period.

#### SUMMARY:

SUMMARY AND TOTALS BY FORMAT TYPE		
Format Type*	# of Submitters	# of Providers***
NECS (Non-Y2K)	3	3
NCECS (Y2K; Non-HIPAA)	607	1,234
VENDOR (Non-Y2K)	0**	0
VENDOR (Y2K Non-HIPAA <i>CLEARINGHOUSES</i> )	21	400
PROVIDERS USING VENDOR SOFTWARE (Y2K; Non-HIPAA)	240	893
<b>TOTALS</b>	<b>871</b>	<b>2,530</b>

\* - All formats are Non-HIPAA Compliant

\*\* - As of October 1, 2004 The last Vendor in this category converted to using the HIPAA Compliant version of formatting and sending claims for processing.

\*\*\* - The number of providers above is also broken down by provider type as noted on Page 5

#### DETAIL:

The Summary data is broken down into five categories:

- **NECS (Old DOS Non-Y2K Non-HIPAA) Software** – This data reflects electronic claims files received from Providers/Billers who are still utilizing the Non-Y2K Microsoft DOS V6.22 – based software to send claims. The Providers using this version of software are aware of the newer NCECS and NCECS-WEB versions of the tool but continue to use this version for billing. When contacted about converting to a newer version of the tool, several of these users have verbally expressed to the ECS department they do not wish to switch software applications until they are specifically given a date for conversion and NECS is no longer supported.
- **VENDOR (Non-Y2K Proprietary) Software** – This data reflects electronic claims files received from Vendors who are utilizing the Non-Y2K, Non-HIPAA Proprietary format for sending claims. We are fortunate in that we are down to a single Vendor in this instance and as of October 1, 2004, this Vendor has converted to using the HIPAA Compliant form of formatting and sending claims for processing.

## Draft Proposal Document

### Successful transition of all Electronic Submitter groups from Non-Compliant to fully HIPAA Compliant claim formats

- **NCECS (Windows Based – Non-HIPAA) Software** – This data reflects electronic claims files received from Vendors who are utilizing the Windows-Based NCECS Non-HIPAA software package. This software was distributed to Providers/Billers via CD-Rom and is stored locally on the users PC. We have been actively contacting this Provider/Billing group to assist with making the transition from the Windows-Based NCECS tool to the new NCECS-WEB Internet based tool. To date, we have contacted and received confirmation for 75% of this group informing them of the new billing software options available as an alternative to the NCECS software package.
  
- **VENDOR (Y2K Non-HIPAA Proprietary) Software** – This data reflects electronic claims files received from Vendors who are utilizing the Y2K, Non-HIPAA Proprietary format for sending claims. This small group of Vendors is comprised of several companies who are currently making the transition to the HIPAA Compliant transaction types. Many of these Vendors have multiple providers who have not yet had the appropriate changes applied to their internal systems to allow HIPAA Compliant billing. This group also includes Vendors that may be currently testing HIPAA compliant formats or may be preparing to do so. An active contact effort is currently underway to assist these Vendors in making the transition.
  
- **VENDOR (Y2K Non-HIPAA CLEARINGHOUSES)** – This data reflects a group of Providers that have been identified who are utilizing Vendor created software and/or systems that generate a Y2K, Non-HIPAA Proprietary format for sending claims. This group makes up the largest total source of Non-HIPAA Compliant claims currently received. We have identified each specific user within this category. We have also identified the submitters that are responsible for the largest volume of claims within the total. We will utilize this information to target those submitters in an effort to move them to compliant software through their vendor or other methods.

## Draft Proposal Document

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Provider Type	Description	Number of Providers
8	SNF, Hospital Swingbed	1
9	Adult Care Home	601
11	Personal Care	169
20	Individual Physician	131
22	Physician Group	374
27	Individual Dentist	48
28	Individual Optometrist	9
29	Ambulatory Surgery Center	7
30	Individual Chiropractor	23
32	Individual Podiatrist	10
33	FQHC Core Service	69
34	Prosthetics, DME, CORF	160
40	HIV Case Management	15
42	Ambulance, in state	26
43	Independent Laboratory	29
44	Home Health Agency	72
47	ICF, General	78
52	Physician or Medical Diagnostic Clinic (PDC/MDC)	2
53	Hospice	3
58	Nursing facility, vent level of care	1
60	Hospital, General	32
67	RHC Core Service	9
68	Specialty Hospital	1
71	ICF, MR, not state owned	91
74	Mental Health Center	9
75	Optical supplies dealer, in state	3
76	Dialysis Treatment center, non hospital	60
77	Private Duty Nurse, in state	11
80	SNF, General, not state owned	90
82	Community Alternatives Program (CAP)	199
86	Nurse Midwife	7
88	Independent Practitioner, Individual	13
89	Podiatry Group, in state	3
90	Out of State Hospital, General or Specialty	1
93	Local Education Agencies	21
96	Home Infusion Therapy (HIT)	14
98	Independent Practitioner, Group	23
99	Case Management DSS	10
104	Critical Access Hospital	20
107	Residential Child Care Facility, Level II-IV	41
109	Individual-Licensed Psychologist, LCSW, Clinical Nurse Specialist, Nurse Practitioner	25
110	Group-Licensed Psychologist, LCSW, Clinical Nurse Specialist	16
112	Community Interventions Services Agencies	3
<b>Grand Total</b>		<b>2530</b>