

# ALASKA MEDICAID NEWSLETTER

Published by First Health Services Corporation for the Alaska Division of Health Care Services.



FEBRUARY 2005

First Health Services, in conjunction with the Division of Health Care Services, publishes a monthly newsletter. This newsletter offers providers useful information, monthly reminders, and tips on how to make billing easier.

### February Holiday Closures

- = State Offices Closed
- = State & FHSC Offices Closed

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### ~ March Closures ~

All State offices and FHSC will be closed on March 28, 2005 in observance of Seward's Day.

### Most Recent Updates...

The following has been updated and is available to you on FHSC's Website (<https://alaska.fhsc.com/>):

- Long Term Care Manual
- Chiropractic Manual
- Home Health Care Services

First Health Services Corp.  
 1835 S. Bragaw St.,  
 Suite 200  
 Anchorage, AK 99508  
<https://alaska.fhsc.com>  
 1-800-770-5650  
 1-907-644-6800

### NOTICE!

**T**O ALASKA MEDICAL ASSISTANCE PROVIDERS:  
 Announcing plans to discontinue the acceptance of non-compliant electronic transactions including claims.

Please note: This notice does not apply to providers of non-emergent transportation services, accommodation services such as hotel or motel services, and possibly other "non-health care" services (as defined by HIPAA rules). The processing of electronic and paper claims for these services will not be affected by the information presented in this notice.

The Federal Health Insurance Portability and Accountability Act (HIPAA or the Act) of 1996 required in part that, on or before October 16, 2003, all providers and trading partners affected by the Act who submit electronic claims must do so in the standard method outlined in the Act (i.e. 837 Claim Transaction). Many Alaska healthcare providers and trading partners were unable to comply with this HIPAA deadline. In order to prevent disruption of payment to Alaska Medical Assistance providers, the Division of Health Care Services (DHCS) implemented a contingency plan which enabled the Division to temporarily continue to accept HIPAA non-compliant electronic claims for the Alaska Medical Assistance programs beyond the federal deadline.

This notice announces the Division's intent to: (1) discontinue the acceptance of HIPAA non-compliant electronic claims submitted by affected providers and trading partners after March 31, 2005; and (2) prioritize the processing of HIPAA compliant electronic claims submitted on or after March 1, 2005.

(1) The Division has instructed its fiscal agent, First Health Services Corporation (FHSC), to reject electronic claims submitted for processing by affected providers and

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*NOTICE! (continued from page 1)*

trading partners that do not comply with the new HIPAA rules after March 31, 2005. The Division is taking this action in order to fully comply with the federal HIPAA laws relating to claims (i.e. the 837-Claim Transactions). The Act requires the Division, as a payer, to accept electronic claims only in the standard method described by the Act. In order to prevent a future disruption of payment, all affected providers and trading partners that plan to submit electronic claims are strongly encouraged to complete their transitions to using the new HIPAA compliant 837 claim transaction. Affected Alaska Medical Assistance providers and trading partners that plan to submit claims electronically must:

- Review the Alaska Medical Assistance 837 Companion Guide.
- Sign and complete new Information Submission Agreements, as appropriate.
- Complete 837 claim transactions testing with the Division's fiscal agent, FHSC.

First Health Services has more information about Companion Guides, 837 Claim transactions, Agreements, and Testing on its Website at <http://alaska.fhsc.com/hipaa>.

More information regarding affected providers (i.e. covered entities), HIPAA laws, and other HIPAA information may be found at <http://www.cms.gov/hipaa/hipaa2>.

(2) Since October 16, 2003, many Alaska Medical Assistance providers and trading partners have signed new Information Submission Agreements (ISA) and are actively testing or submitting HIPAA compliant claims (837 transactions). However, some providers and trading partners are still submitting claims that are not HIPAA compliant. In order to continue transitioning to full HIPAA compliance within the Division's fiscal constraints, the Division has determined it necessary to instruct its fiscal agent, FHSC, to prioritize the processing of claims.

Given this prioritization and under normal circumstances, the Division anticipates that correctly submitted HIPAA compliant claims will be processed within 3 to 7 days of receipt. Non-compliant claims may take up to 30 days to process. Thereby, electronic claims submitted on or after March 1, 2005 will be prioritized for processing as follows:

1. HIPAA-compliant claims from covered entities and electronic claims from non-covered entities (highest priority),
2. Electronic claims from covered entities that are actively testing,
3. Electronic claims from covered entities that have entered into an Information Submission Agreement and are scheduled to begin testing,
4. Non-compliant electronic claims from all other covered entities (lowest priority).

While each provider and trading partner (i.e., covered entity) is responsible for their own HIPAA compliance efforts, FHSC will continue to provide assistance through the availability of:

- Webcast recordings of past HIPAA Knowledge Transfer Sessions on a variety of topics
- An Alaska Trading Partner Companion Guide to include instructions specific to Alaska Medical Assistance for all HIPAA transactions
- The Alaska Electronic Commerce Customer Support (ECCS) Team (907-644-6800) or toll free in Alaska 1-800-770-5650 (select option for ECCS)
- The Virginia Electronic Commerce Customer Support (ECCS) Team (toll free nationwide 800-924-6741).

(3) In addition to the claims transactions (837), the Division will comply with HIPAA standards for all other electronic transactions mandated by HIPAA that apply to Alaska Medical Assistance:

- 835 – Remittance Advice
- 270/271 – Eligibility Inquiry and Response
- 276/277 – Claim Status Inquiry and Response
- 278 – Prior Authorization Request and Response

As with claims, any information accepted or conveyed for the above purposes in an electronic format will be accepted and/or generated by Alaska Medical Assistance only in the HIPAA compliant format as of April 1, 2005.

If you have any questions or are ready to test your claims or other health care electronic transactions, please contact the HIPAA Provider Support Team at the FHSC Website or telephone numbers listed above.



Don't hesitate to ask.



We'll help you complete the form.



You'll be a pro in no time.

## Do's & Don'ts of Claim Form Completion

Accuracy in completing claim forms is critical for timely payment from Alaska Medicaid. Instructions for claim form completion are in Section I of all provider billing manuals, with a sample of the appropriate claim form for the provider type specified in the manual.

Be sure to complete all required fields. If you miss filling in any of the required fields on any claim form, your claim may be returned to you for correction, or it may be denied outright by the MMIS (Medicaid Management Information System). In other words, the computer system used by First Health Services will deny or return your claim. The result may be a delay in payment to you for the services you have rendered to Medicaid recipients.

Common errors on claim forms involve the Medicaid Provider ID numbers. This number is issued to providers when they become enrolled with Alaska Medicaid. The ID numbers currently start with

two or three letters. If you are not certain what your number is, please call First Health Service's Provider Inquiry Unit, at 644-6800 or 1-800-770-5650. If the Provider ID number is inaccurate or illegible, First Health Services cannot process your claim.

Please be certain that your Provider ID number is entered in the correct field (required field) on the claim form. If you are submitting the CMS-1500 claim form (previously known as the HCFA-1500), the Provider ID number should always be entered in Field 33 where it reads "PIN#" (that is Provider ID Number). If the provider's ID number is not in this specific field, we will not be able to process your claim. If the PIN # entered in Field 33 is positioned too low, the bold line on the claim form makes it difficult to read.

If you are submitting the UB-92 claim form, the Provider ID number should always be entered in Field 51. It is critical that your Provider

ID number be accurate. If your ID number contains zeros "0," or the letter "O", we must be able to distinguish between them correctly. Sometimes a Provider ID number contains both, sometimes one or the other. If you enter a zero when you should enter a letter, or vice versa, our system will not recognize your ID number. Please review your business software for any of these complications.

Please make certain that your handwriting is legible. An illegible ID number is the same as an inaccurate one. If someone else is filing your claims, be sure to check them for accuracy in order to prevent delayed payments.

Don't forget to report the Billed lines correctly.

2004 was a very successful year in training. The teleconferences, which were new to last year's schedule, had a high participation rate, making it a very popular program. Thanks to your suggestions and comments, we anticipate that 2005 will be even more user friendly.

The 2005 Training Schedule will be available soon. Watch this newsletter for upcoming information on when the new schedule will be published.

Thank you for your participation in this program.



Dana Broadwater  
Provider Trainer, FHSC

As a reminder...  
If you're new to Medicaid or simply wanting a refresher course, all HIPAA, In-Depth, Introduction to Medicaid Billing, and Pharmacy POS training Webcasts are uploaded to First Health Service's Website for viewing at your leisure. Visit our Website at <https://alaska.fhsc.com> for a full list of available Webcasts from 2004.

Webcasts are available on CD upon request. Contact the Training Dept. through e-mail (ANCTraining@fhsc.com), or call us at (907) 644-6800 or 1-800-770-5650 (toll-free in Alaska), to request your CD.

## TRAINING E-MAIL AND FAX NUMBER

Medicaid's training e-mail address (ANCTraining@fhsc.com) is provided for your convenience to send in your questions and comments regarding training offered by FHSC, and to submit completed training registration forms.

Training also provides a Fax number (907-644-5900) for your convenience in sending in registration forms or correspondence to FHSC's training department. Remember, our professional staff is ready to assist you, whatever your training needs may be.

Please do not send sensitive or confidential information via e-mail, as this is not a securely protected environment.

Is there a class you'd like to see on the training schedule? Have suggestions or kudos for the class you just completed? E-mail us and tell us what you're thinking.



When calling FHSC'S Prior Authorization (PA) Unit, please specify to the representative any special needs the patient may have, such as oxygen or a wheelchair on an airline flight, if the patient is wheelchair-bound. The need for an escort should be conveyed at the time of the request, not when the patient shows up at the airport.

FHSC is authorizing travel based on the special needs of the recipient and letting the State Travel office know so it can be arranged and rolled into the cost of the ticket. When the information is not conveyed in a timely manner, it will delay the travel arrangements.

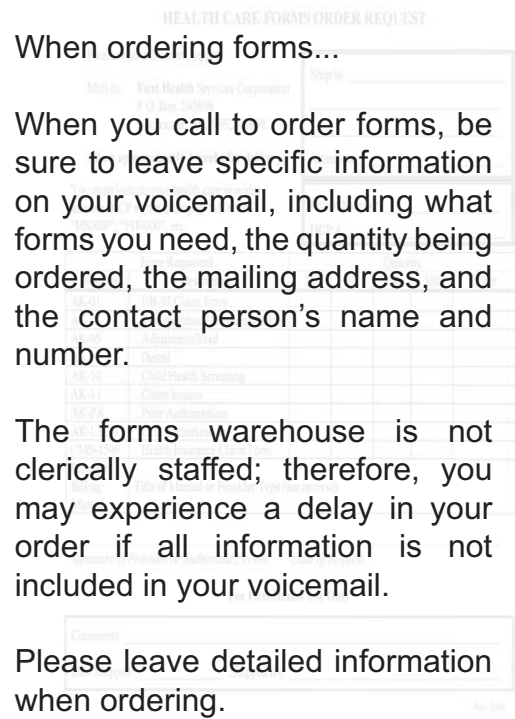
HEALTH CARE FORMS ORDER REQUEST

When ordering forms...

When you call to order forms, be sure to leave specific information on your voicemail, including what forms you need, the quantity being ordered, the mailing address, and the contact person's name and number.

The forms warehouse is not clerically staffed; therefore, you may experience a delay in your order if all information is not included in your voicemail.

Please leave detailed information when ordering.



This is the final entry in a series of articles on Edit Codes. Please refer to previous newsletters for discussion of EOB, Pended, and RTD edits.

An edit is an explanation code that shows the outcome of a claim review. The edit codes used by Alaska Medicaid are always three numeric digits and will appear throughout the Remittance Advice (RA). The RA reports the status of all of your claims. It is important to review the status of all claims reported within any RA. You need to review the paid, pended, RTD, and denied claims.

Always review any claim that has been denied. A denied claim will be accompanied by an edit code that explains why your claim was denied. Some denied claims can be corrected and resubmitted, while others may require an appeal (FHSC offers training on appeals that you can attend in Anchorage or view our Webcast, Appeals 101, on the First Health Services Alaska Medicaid Website, <http://alaska.fhsc.com>). It is critical that you file appeals appropriately. If you do not understand a denial code, or need assistance with appeals, please call FHSC's Provider Inquiry Unit at 907-644-6800 or 800-770-5650 (in-state, toll-free) for assistance.

Some examples of denial edits are:

- Edit 076 "Resubmission Turnaround Document filing limit exceeded"
- Edit 016 "Recipient Number is Missing"
- Edit 228 "Provider Not Valid for Primary Care Recipient"

### **EDIT 076 "Resubmission Turnaround Document filing limit exceeded"**

You may have previously received a notice from First Health Services warning you that your claim needed additional information or that your claim had errors. This would have been in the form of a RTD worksheet (located at the end of the RA), which was your opportunity to fix the claim before it denied. You must respond to a RTD by returning the worksheet to FHSC along with the information we have requested. We give you 90 days to respond to the RTD. If you do not respond to the RTD by the deadline stated therein, your claim will have denied because you missed that deadline. This is the 076 edit code.

In order to fix a 076 denial, you will need to:

- Backtrack to the RA in which the claim returned as an RTD
- Determine the reason for the RTD
- Resubmit the claim (not the RTD) with the necessary corrections

Here's an example:

FHSC put your claim into RTD status because you forgot to write in the diagnosis code. This would be a RTD for EDIT 018. We would have sent you a RTD worksheet requesting the diagnosis code so we could continue to process your claim without further delay. You should have responded to the RTD by filling in the missing diagnosis code, signing, and dating the RTD and returning it to FHSC.

If you missed the 90-day deadline, you would have received the 076 DENIAL EDIT. Do not return the RTD at this time. Instead, you need to review the previous RA's, and back track until you find the RTD for 018, diagnosis code missing. (This would have been reported on a RA 90 days earlier.) Send a new, corrected claim showing the diagnosis code to First Health Services.

**EDIT 016: "Recipient Number is Missing"**

First Health Services cannot process your claim if the Recipient ID number is not present. You will receive a 016 denial, for most Provider Types. If you receive a 016 denial on your RA, you need to fill in the missing Recipient ID number and submit a new claim. Recipient ID numbers are usually 10 digits long and start with the numbers 0600 or 0601.

If you write the Recipient ID number in the wrong field on the claim form, our data processing personnel will enter the information into the MMIS as you have written it. An ID number written in the wrong field will receive the same 016 denial (it's the same as a missing ID number). The correct location for the Recipient ID number on the CMS-1500 claim form is Field 1a. On the UB-92 claim form, the correct location is Field 60.

Be careful not to transpose any digits. This creates a non-existent ID number, which would give you an EDIT 003, Invalid Recipient ID number. Check to be sure your writing is legible, that your zeros look like zeros, and your sixes look like sixes.

Don't forget to verify the eligibility of your recipient.

**EDIT 228: "Provider Not Valid for Primary Care Recipient"**

Alaska Medicaid has a Lock-in program, formerly called the Primary Care program. In this program the recipient is locked in to one physician, one dentist, and one pharmacy. The ID card is unique for these recipients and will have the names of the lock-in providers written on it.

If a Lock-in recipient is seen by a physician other than the one written on his/her ID card, this rendering physician must have a referral letter from the Lock-in physician, and that letter must be sent in with all Medicaid claims. If you file claims for a Lock-in recipient without this referral, your claims will be denied for EDIT 228. This is also true for the Dental Providers. This edit may pend for review before it is denied.

*For more information on the Lock-In program, refer to the November 2004 Provider Newsletter and/or contact FHSC's Provider Inquiry Unit at 907 644-6800 or 800 770-5650 (toll-free, in-state).*

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**The State of Alaska has awarded FHSC the contract to develop a new MMIS (Medicaid Management Information System).** Part of this development includes re-enrolling all active providers by September 2005. Please watch for upcoming articles highlighting functionality of the new system.