

**NOTICE TO ALASKA MEDICAL ASSISTANCE PROVIDERS:
Plans to discontinue the acceptance of non-compliant electronic transactions
including claims**

January 14, 2004

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 be unaffected 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 did not 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 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 transition 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; and
- 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 it's 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 HIPAA non-compliant claims. 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:

- Web cast 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.