INDIANA HEALTH COVERAGE PROGRAMS

PROVIDER REFERENCE MODULE

HIPAA Standards for Electronic Transactions and Code Sets

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Revision History

Version	Date	Reason for Revisions	Completed By
1.0	Policies and procedures as of October 1, 2015 Published: February 25, 2016	New document	FSSA and HPE
1.1	Policies and procedures as of August 1, 2016 Published: December 8, 2016	Semiannual update: • Reorganized and edited text for clarity • Updated the *Introduction* section • Added to the *Electronic Standards* section that implementation guides are available for purchase • Updated the *National Provider Identifier* section to remove information about obtaining and reporting an NPI and added link to *Provider Enrollment* module • Updated the *Trading Partner Requirements for Electronic Transactions* section to remove information providers can find in the *Electronic Data Interchange* module or on indianamedicaid.com	FSSA and HPE
1.2	Policies and procedures as of August 1, 2016 (*Core*MMIS updates as of February 13, 2017) Published: February 13, 2017	Removed references to value-added networks (VANs)	FSSA and HPE

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HIPAA Standards for Electronic Transactions and Code Sets

Introduction

The *Health Insurance Portability and Accountability Act* of 1996 (HIPAA) contains the following three major types of provisions:

- **Portability** – The portability provisions, implemented in 1997, provide available and renewable health coverage and remove the pre-existing condition clause, under defined guidelines, for individuals changing employers and health plans.
- **Program Integrity/Fraud and Abuse** – The Medicare Integrity Program (MIP), implemented in 1998, guarantees that the Centers for Medicare & Medicaid Services (CMS) has a funding source for integrity activities and expands its authority to hire antifraud contractors.
- **Administrative Simplification** – The Administrative Simplification provisions implement transaction and code set standards, identifier standards, security rules, and privacy rules across the healthcare industry.

Under the *American Recovery and Reinvestment Act* of 2009, the *Health Information Technology for Economic and Clinical Health (HITECH) Act* was created to promote the adoption and meaningful use of health information technology. Subtitle D of the *HITECH Act* addresses the privacy and security concerns associated with the electronic transmission of health information, in part, through several provisions that strengthen the civil and criminal enforcement of the HIPAA rules.

Additional information can be found on the *Health Insurance Portability and Accountability Act (HIPAA)* page at indianamedicaid.com.

Administrative Simplification Requirements of HIPAA

The Indiana Health Coverage Programs (IHCP) is compliant with the HIPAA Administrative Simplification provisions. The four major HIPAA Administrative Simplification requirements are the following:

- Transactions and code sets
- Identifiers
- Security
- Privacy

These requirements mandate standard electronic transactions and code sets across the healthcare industry, standardizing electronic data interchange (EDI) to provide more efficient and effective service. The requirements also regulate format and content standards, and establish security and privacy standards for healthcare information.

The Administrative Simplification requirements apply to all covered entities, including the following:

- All health plans, including Medicare, Medicaid, and commercial plans
- Providers that transmit or store health information electronically
- Healthcare clearinghouses, billing services, and vendors

Transactions and Code Sets

The Administrative Simplification provision of HIPAA mandates that standard electronic transactions and code sets across the healthcare industry provide more efficient and effective service. This requirement calls for format and content standards, and it establishes security and privacy standards for healthcare information. The Transactions and Code Sets final rule was published in the August 17, 2000, *Federal Register*.

Electronic Transaction Types

HIPAA legislation mandates that many of the major healthcare EDI transactions, such as electronic claims and Remittance Advices, be standardized into the same national format for all payers, providers, and clearinghouses. All providers that submit governed data electronically are required to use the mandated HIPAA formats. The final rule defines the requirements and standards that must be implemented to comply with HIPAA regulations.

The IHCP has options available for providers to exchange data through EDI and HIPAA content-compliant direct data entry (DDE) electronic transactions.

Table 1 – Electronic Transactions Processed by the IHCP

Business Category	Transaction Name	Description
Claims Processing	ASC X12N 005010X222A1	Health Care Claim: Professional (837P)
Claims Processing	ASC X12N 005010X224A2	Health Care Claim: Dental (837D)
Claims Processing	ASC X12N 005010X223A2	Health Care Claim: Institutional (837I)
Explanation of Payment/ Remittance Advice	ASC X12N 005010X221A1	Health Care Claim Payment/Advice (835)
Eligibility Verification	ASC X12N 005010X279A1	Health Care Eligibility Benefit Inquiry and Response (270/271)
Claim Status	ASC X12N 005010X212	Health Care Claims Status Request and Response (276/277)
Prior Authorization	ASC X12N 005010X217	Health Care Services Review – Request for Review and Response (278)
MCE* Member Enrollment Roster	ASC X12N 005010X220A1	Member Benefit Enrollment and Maintenance (834)
MCE Capitation Payment Listing	ASC X12N 005010X218	MCE Capitation Payment Listing (820)

* *Managed care entity*

Electronic Standards

HIPAA specifically names several electronic standards that must be followed when certain healthcare information is exchanged. These standards are published as *National Electronic Data Interchange Transaction Set Implementation Guides*, which are commonly called *Implementation Guides* (IGs). An addendum to most IGs was published and must be used to properly implement each transaction. The IGs are available for purchase and download through the Washington Publishing Company website at wpc-edi.com. Developers should obtain copies of the IGs prior to any process development.

Companion Guides

The IHCP has developed technical companion guides to assist application developers. Information contained in the *IHCP Companion Guides* is intended only to supplement the adopted IGs and provide guidance and clarification as the information applies to the IHCP. The *IHCP Companion Guides* are never intended to modify, contradict, or reinterpret the rules established by the IGs.

All *IHCP Companion Guides* comply with the format and flow defined in the *Committee for Operating Rules for Information Exchange (CORE) v5010 Master Companion Guide Template*.

Companion guides are available on the *EDI Solutions* page at indianamedicaid.com.

National Provider Identifier

The IHCP requires all healthcare providers (atypical providers excluded) rendering healthcare services that transmit health information via a standard format to obtain a National Provider Identifier (NPI) from the National Plan and Provider Enumeration System (NPPES). The IHCP requires prospective providers that want to enroll in the IHCP to have obtained their NPI prior to completing the *IHCP Provider Enrollment and Profile Maintenance Packet*. For more information about obtaining and reporting an NPI, see the *Provider Enrollment* module.

Trading Partner Requirements for Electronic Transactions

To comply with HIPAA standards and regulations, as well as Privacy Rules, all entities desiring to exchange electronic data with the IHCP via EDI batch and interactive options must become IHCP trading partners. This requirement applies to providers, clearinghouses, billing services, MCEs, and Medicare intermediaries.

For additional information, see the *Electronic Data Interchange* module and the Trading Partner Registration Procedure at indianamedicaid.com.