



PROVIDER BULLETIN

BT 200344

JULY 10, 2003

**To: All Providers**

**Subject: Local Code Extension Dates**

## Overview

Medicaid local code usage is being extended through December 31, 2003. Details are provided in this bulletin.

## Extension of Local Code Implementation Dates

Administrative simplification requirements of the *Health Insurance Portability and Accountability Act (HIPAA) of 1996* mandate that covered entities no longer use local codes or local code modifiers in standard transactions after October 15, 2003. Although HIPAA implementation is October 16, 2003, the Indiana Health Coverage Programs (IHCP) is extending the use of local codes and local code modifiers for both paper and electronic standard transactions until December 31, 2003. The date for elimination of local codes changed from October 16, 2003, to December 31, 2003, due to federal interpretation of HIPAA requirements for state Medicaid programs. This bulletin provides a brief description of implementation dates affected by the elimination of local codes.

Effective January 1, 2004, replacement level I (CPT) or level II (national) codes must be used rather than local codes. Claims submitted with local codes and local code modifiers with dates of service on or after January 1, 2004, will deny. The IHCP has finalized a cross walk of all local codes to national codes used by IndianaAIM. A comprehensive list of cross-walked codes and instructions for using these codes will be published in an upcoming provider bulletin.

The extension of Medicaid local code usage through December 31, 2003, also affects requests for prior authorization (PA) with local codes for dates of services, or requests spanning dates of service, after December 31, 2003. Detailed PA instructions will be published in a future provider bulletin.

This delay allows providers more time to prepare for the conversion of local codes to standard national codes. Table 1 lists implementation dates for various HIPAA requirements associated with local codes.

Table 1 – IHCP HIPAA Implementation Dates

Implementation Date	HIPAA Requirement
August 23, 2003	Implementation of 837 transactions (institutional, professional, and dental).
September 1, 2003	Begin using new billing instructions for paper claims. Paper claims with old form location information will not be accepted after September 1, 2003.
October 1, 2003	Begin accepting PA requests for service dates on or after January 1, 2004, using replacement national codes.
October 16, 2003	Implementation of 276/277, 278, anesthesia, and Web HIPAA transactions.
December 31, 2003	Elimination of local codes. National codes will be required.

Although the IHCP is implementing the 837 transactions August 23, 2003, providers are not required to transmit claims in the ASCX12N837 version 4010A format until October 16, 2003. The IHCP will accept any format of electronic claims during this interim time period.

## Provider Workshop Reminder

Providers are reminded of ongoing HIPAA provider workshops as described in *Bulletin BT200328*, dated May 20, 2003. The following transactions or changes are being covered in these workshops:

- 837 Institutional, Professional, and Dental Transactions
- Paper Claims
- Attachments
- Local Codes
- 835 Transaction
- Anesthesia Billing

## Additional Information

Draft versions of companion guides are available on the IHCP Web site at [www.indianamedicaid.com](http://www.indianamedicaid.com). Direct any questions about the information in this bulletin to the Customer Assistance Unit at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278. Providers can also e-mail HIPAA-related questions to [inxixhipaainquiries@eds.com](mailto:inxixhipaainquiries@eds.com).

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