

TO: All Providers

FROM: CareFirst of Maryland, Inc.

DATE: June 6, 2002

SUBJECT (S): Important Notice to All Providers

HIPAA Model Compliance Plan and Instructions

Important Notice to All Providers

The Centers for Medicare and Medicaid Services has mandated that all bulletins/newsletters will not be printed and mailed between July and September 2002. However, we will continue to post all bulletins/newsletters on our web site at www.marylandmedicare.com.

We anticipate that we will resume mailing bulletins/newsletters beginning in October 2002.

HIPAA Model Compliance Extension Plan and Instructions Now Available

In 1996, the Health Insurance Portability and Accountability Act (HIPAA) became law. It requires, among other things, that the Department of Health and Human Services establish national standards for electronic health care transactions and code sets. October 16, 2002 is the deadline for covered entities such as health plans, clearinghouses and providers (such as physicians, dentists, hospitals, nursing homes and others) to comply with these new standards. However, in December 2001, the Administrative Simplification Compliance Act (ASCA, Public Law 107-105) gave covered entities not compliant by October 16, 2002 the opportunity to extend their compliance deadline by 1 year – to October 16, 2003. This extension opportunity is applicable to all HIPAA covered entities other than small health plans (those with less than \$5 million in annual receipts whose compliance date is already set for October 16, 2003). In order to qualify for this extension, covered entities must submit a compliance plan by October 15, 2002.

A model compliance plan and instructions on how to complete and submit it are available on the Centers for Medicare & Medicaid Services (CMS) Web site, www.cms.hhs.gov/hipaa. You can submit this on-line model plan electronically through the Web site or print and mail it. You can submit your own paper version of the plan as long as it provides equivalent information (covered entity and contact information; reasons for filing for the extension; HIPAA implementation budget information; and where you are in implementing and testing including whether or not you plan to use a vendor). The CMS strongly encourages electronic filing but if you must file on paper, you

should send your form to Attention: Model Compliance Plans, Centers for Medicare & Medicaid Services (CMS), P.O. Box 8040, Baltimore, MD. 21244-8040. The deadline for both electronic and paper submissions is October 15, 2002.

If you file electronically through the Web site, you will receive an electronic confirmation number acknowledging and granting your extension. If you file a paper version, you won't receive a confirmation, but if your paper plan consists of the required equivalent information, you may consider your extension granted.

The instructions give more details on how to complete the form; explanation of who should file for an extension; data you need to include; and where to get more information on definitions, frequently asked questions, etc.

For more information, submit questions to askhipaa@cms.hhs.gov.

Providers Using Medicare Supplied Billing Software

Medicare contractors will continue to provide electronic billing software for providers to use to submit their Medicare claims. The HIPAA compliant version of this software may not be available until December 2002. As this is after the initial compliance deadline of October 16, 2002, any providers that plan to use the current version of this software after October 15, 2002 must submit a Compliance Extension Plan as described above.

(Source: Program Memorandum AB-02-071; Change Request 2168)

The effective Date for this instruction is May 10, 2002

The implementation date for this instruction is May 10, 2002

THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITIONERS AND MANAGERIAL MEMBERS OF THE PROVIDERS/SUPPLIERS STAFF. ALL BULLETINS ISSUED AFTER OCTOBER 1, 1999 ARE AVAILABLE AT NO COST FROM OUR WEB SITE AT www.marylandmedicare.com.

Questions regarding this bulletin should be directed to the provider relations department at (866) 488-0545.