

BHG UPDATE

HIPAA Compliance Activities Not Finished: EDI and Code Sets Next

April 14, 2003 was the date by which covered entities (healthcare providers, health plans, and healthcare clearing house) were to be compliant with the requirements of the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). In the past three months there has been a flurry of last minute activity at boards and provider agencies to complete policies and procedures, implement process changes and complete the necessary staff training to comply with the standards, requirements and implementation specifications of the new law. Although there is some sense of relief that the compliance deadline has past and the "compliance police" are not at the door, there is no time to relax. Another deadline is looming just 60 days away!

ADAMH Boards and service providers in Ohio must be prepared to implement the HIPAA Electronic Data Interchange (EDI) and Standard Code Sets Rule by July 1, three and a half months before the October 16, 2003 deadline for non-MACSYS users. ODMH's and ODADAS' information services staff have been working with software vendors supporting Ohio providers to assure that the vendors

know MACSYS requirements for the ANSI 837 and 835 formats that are scheduled for implementation in the initial phase of transactions compliance. Additional transactions such as eligibility and claim status (ANSI 270/271 and 276/277) may be implemented prior to the October 16, 2003 compliance date. Reports from the State indicate that most vendors are ready, or nearly so, for Tier 1 and 2 testing. Unlike MACSYS implementation, the State Department will not certify or approve a software vendor per se, each provider will be approved individually regardless of the similarity in software used. As a first step in testing, providers will be required to verify to the BHG Hub that new 837P format files pass a basic HIPAA transaction compliance validation. This validation may be accomplished using automated testing tools available commercially. Once the provider level validation has been passed, the BHG Hub will accept test files for further format validation before passing files to the State for final Tier 1 testing. Provider test files must pass State Tier 1 testing prior to submitting files for data content testing (Tier 2).

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**Behavioral
Health
Generations**

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Special points of interest:

- *EDI Transactions and Standard Code Set Due July 1, 2003*
- *BHG HIPAA Manual Adopted for OACBHA*
- *50,000 Privacy Notices Mailed*
- *Business Associates Problematic*

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BHG HIPAA Manual Adopted by Ohio Association of County Behavioral Health Authorities

In mid-February 2003, BHG reached an agreement with the Ohio Association of County Behavioral Health Authorities (OACBHA) that paved the way for the BHG HIPAA Privacy Compliance Manual to be distributed to OACBHA members across the State of Ohio. The manual was reproduced by the Association and delivered to its membership of 57 mental health (MH), alcohol and drug addiction services (ADAS) and combined MH and ADAS boards. Along with the manual, the Association also distributed a “crosswalk” between HIPAA and State and other Federal law prepared by their legal representative. The crosswalk assisted manual users to modify the manual policies and procedures to assure compliance with the appropriate HIPAA, Ohio or other Federal law and regulation that affords clients the greatest protection for their personal health information.

Statewide distribution of the manual provided exposure that stimulated requests from service providers for access to the material. Nearly thirty copies of the manual were sold by BHG to providers from various regions of the State. In addition, BHG CEO, Larry Bosserman, was engaged by several non-BHG boards to provide HIPAA consultation services. He also provided more than twenty-five hours of HIPAA training to nine ADAMH Boards and more than twenty-five service providers in and outside of the BHG family. A set of three video tapes of HIPAA Overview training conducted by BHG for Boards and providers is also available. Contact Larry Bosserman if you are interested in the tapes for future training of new hires.

Nearly 50,000 Privacy Notices Mailed

As health plans, each of the BHG Boards were required to mail their HIPAA Notice of Privacy Practices to current health plan enrollees prior to the April 14 compliance date. On behalf of its members, BHG contracted with a mailing services to print, fold, stuff and mail more than 30,000 Notices of Privacy Practices to enrollees in the MAC-SIS system (Multi Community Services Information System). The Notices were mailed on April 8, 2003. The Notice was printed to identify each Board. The envelop, which included the return address (street and city only) of BHG provided no indication of the identity of the sender to protect client privacy. Using a bulk rate permit, the cost of mailing each Notice was about nineteen cents compared with the standard rate of thirty-seven cents. The total cost of the mailing including preparation and postage was just over \$12,000.

BHG also coordinated mailing about 19,000 Notices for the Licking Knox Board.

In addition to this initial mailing, BHG will mail a Notice to every new enrollee as long as the regulation is in effect. The monthly mailing to new enrollees will about 800.

As expected, some notices were not deliverable and were returned to BHG (less than 100 as of the end of April). During the week of April 14-18, Boards received a number of phone calls inquiring about the notice. Many clients were unaware of the role of the Board in payment for their services. Others were concerned about the type and amount of personal information to which the Board has access. After the first five days, calls about the Notice have been infrequent at most Boards.

(Continued) HIPAA Compliance Activities Not Finished: EDI and Code Sets Next

Subsequent to successful testing for structure and format, providers will be eligible to submit files for Tier 2 testing. MACSIS staff in Columbus will perform data content testing. This testing will be used to determine if claim files are in compliance with the unique data content requirements of the MACSIS system structure. Any one of the following may cause rejection of a test file by MACSIS staff:

- HIPAA-mandated and/or ASC X12N requirements are not met
- Fatal errors occur on the MACSIS edit reports
- Less than 60% of the claims pass MACSIS edits

Provider files must pass MACSIS data content testing before production files will be accepted for processing and payment. Based on experience with MACSIS implementation, testing can be a time consuming process. It is highly recommended that providers complete their first level validation as soon as possible and begin the second and subsequent levels of testing immediately after the transaction validation has been passed. It is also recommended that providers develop a testing environment separate from current claims production so that testing and claims production can proceed concurrently.

In addition to the technical requirements of the

transition to the new ANSI formats, there will be some significant changes in coding, use of modifiers, accounting and rounding units of service, and bundling same services into single claims. Implementing these changes effectively may require process changes and intensive staff training that should be implemented well before the July 1 deadline.

One final recommendation relates to provider agencies that routinely submit electronic claims to commercial insurance carriers. In spite of the rhetoric in recent months about “standardizing” electronic transactions in healthcare to reduce inefficiencies and control costs, each carrier has the potential to require “situational data elements” in order to process a claim. As with MACSIS, the structural and systematic requirements of insurance companies with whom providers work may impact the claim files submitted to them. Providers would be well advised to contact other payers to determine if there are data content and/or testing requirements that must be met before production files may be submitted for payment.

MACSIS EDI documents and information may be found at www.mh.state.oh.us/macsis/hipaa/macsis_hipaa_edi_index.html. You may direct any questions about BHG Hub involvement in the EDI implementation to Steve Kirschner, 513-759-6346, or Larry Bosserman, 513-759-6345.

BHG Annual Meeting Scheduled for August

The annual meeting of BHG Board staff and providers held in June in the past two years has been moved to August for 2003. The move was made in consideration for the demands placed on staff of both Boards and providers to operationalize HIPAA Privacy regulations and to prepare each organization for implementation of the HIPAA

EDI and standard code sets prior to July 1, 2003. The meeting is tentatively scheduled for a Friday in one of the later weeks in August. The meeting will again be held at the Edison Community College in Piqua. The August meeting will also provide a forum for discussion and clarification of issues arising from the implementation of the ANSI 837 and 835.

Behavioral Health Generations

Promoting Improved Performance and Outcomes Through Collective Voice and Action

Member Boards:

Brown County ADAMH, Georgetown, OH
Hancock County ADAMH, Findlay, OH
Logan Champaign Counties MHDAS, West Liberty, OH
Seneca Sandusky Wyandot Counties MH & RS, Tiffin, OH
Union County MH & R, Marysville, OH
Warren Clinton Counties RS, Lebanon, OH

7372 Kingsgate Way
West Chester, OH 45069
Phone: 513 759 6345
Fax: 513 759 6326
E-mail: bosserman@bhg.org

COMMUNICATION LINKS:

BHG Main Number	513-759-2666
Bosserman, CEO	513-759-6345
Kirschner, MIS Director	513-759-6346
Medley, Claims	513-759-6347
Gentry, Enrollment	513-759-6348
Williams, Enrollment	513-759-6349
Fax:	
BHG Main	513-759-6326
MACSIS Enrollment	513-759-6329 or 888-780-0242
Web Address:	www.bhg.org

Visit the BHG Web Site at www.bhg.org and link to member Boards.

Identifying Business Associates Proves Problematic

After two weeks of HIPAA Privacy Rule compliance, the most frequently asked questions, related to identifying business associates with whom a covered entity should have a contract. HIPAA defines a business associate as a person or entity that provides certain functions, activities, or services for, or to a covered entity involving the use and/or disclosure of protected health information. These functions and services may be legal, consulting, management, accreditation, financial, accounting and others. Much of the confusion apparently arises when potential business associates are government, judicial or administrative entities that have multiple functions such as health oversight, law enforcement, or payment for services. A business associate agreement may, or may not, be appropriate with such entities depending upon "which hat" the entity is wearing in requesting or providing PHI. The first step in determining whether or not an agreement is required is to ask if the entity is a HIPAA covered entity. In most cases (but not all), covered entities do not need BA agreements between themselves (provider/provider, health plan/provider). If the en-

tity is not a covered entity, but has legally mandated health oversight responsibilities, no agreement is necessary to exchange information mandated for health oversight. For example, BH Module data may be released to ODADAS in order for the Department to comply with certain Federal requirements. If the information to be exchanged is not related to the entity's legal responsibilities and the information exchanged provides a necessary function for the covered entity, then a BA should be established. A BA agreement will probably be necessary between boards and the State Departments for MACSIS. In the situation where information is provided by the covered entity to the second party for purposes that are not part of the entity's legal responsibility or a function delegated to a business associate, the information should be released only by client authorization. For example, information releases to Family and Children First Councils should only be made with client authorization.