

Dear RescueNet Billing Customer,

Below is a press release from CMS, dated 8/4/2005, outlining the discontinuation of the contingency plan for submitting noncompliant (paper) Medicare claims. If you are still submitting claims to Medicare on paper it is your responsibility to contact Provider Relations to begin the process of enrolling with your carrier and configuring your system to send HIPAA compliant electronic claims.

You can reach Provider Relations by contacting support at 1-800-361-3269 or providerrelations@zolldata.com.

Sincerely,

Provider Relations

CMS ENDING CONTINGENCY FOR NON-HIPAA- COMPLIANT MEDICARE CLAIMS

Mark B. McClellan, M.D., Ph.D., Centers for Medicare & Medicaid Services (CMS) administrator, announced that CMS will not process incoming non-HIPAA-compliant electronic Medicare claims submitted for payment beginning October 1, 2005.

Prior to October 1, 2005, claims in a non-compliant electronic format will continue to be paid. This process changes as of October 1, 2005, when claims that do not meet standards required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will be returned to the filer for re-submission as compliant claims. Non-compliant claims will not be processed.

As of June 2005 only about 0.5 percent of Medicare fee-for-service providers submitted non-HIPAA-compliant electronic claims. The highest rate of non-complaint claims as of May was from clinical laboratories, 1.72 percent. Only 1.45 percent of claims from hospitals were non-compliant and 0.45 percent from physicians. The high percentage among all provider types and sizes shows that everyone can become compliant.

"We are firmly committed to an interoperable electronic health care system, and the close-to-100-percent compliance with HIPAA standards for claims shows that the health care industry shares this commitment," said Dr. McClellan.

"Ending the contingency plan for non-compliant Medicare claims makes sense," Dr. McClellan said. "We'll be working with the non-compliant providers between now and October 1 with the goal of getting as close to 100 percent as possible before then."

The action announced today, affecting claims for services provided under fee-for-service Medicare, ends a portion of a CMS' HIPAA contingency plan in effect since Oct. 16, 2003, under which Medicare continued accepting non-compliant electronic claims after the deadline.

The contingency continues for other electronic health care transactions, but CMS expects to end the contingency plan for these transactions in the near future. The remittance advice transaction is the next HIPAA transaction for which CMS expects to end its contingency plan.

HIPAA required the Secretary of Health and Human Services to adopt standards for health care claims and other financial and administrative transactions used by the healthcare industry. When fully implemented, the HIPAA standards are expected to streamline the processing of health care claims, reduce the volume of paper work, provide better service for providers, insurers and patients, and cut costs.

The submission of HIPAA-compliant claims begins the streamlining process since it allows the same software to be used to generate identical claims for all payers using standard formats and coding. The use of all the HIPAA transactions will allow interoperability among payers and providers for health care administration.

The law required all payers to conduct HIPAA-compliant transactions no later than Oct. 16, 2003. However, only about 31 percent of Medicare claims were compliant at that time. Other payers had even lower numbers of compliant claims.

To address this problem, in accordance with enforcement guidance issued on July 24, 2003, CMS established a contingency plan that allowed its trading partners to submit claims in electronic formats currently in use. The guidance, however, directed covered entities to make reasonable and diligent efforts to come into compliance and, in the case of health plans, to assist their trading partners in coming into compliance. Contingency plans were not to be used indefinitely.

Many other HIPAA covered entities implemented similar contingency plans. Each entity may continue its contingency plan as necessary to achieve higher levels of compliance and should make its own decision regarding when to end its plan.

To enable electronic submission of HIPAA-compliant claims, CMS continues to make available free/low cost software through Medicare carriers and intermediaries. This is one part of the extensive campaign by CMS to help filers become compliant through extensive outreach to the remaining non-compliant providers/submitters.

To view this press release online:

<http://www.cms.hhs.gov/media/press/release.asp?Counter=1528>

