

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

HIPAA TRANSACTIONS AND CODE SETS GAP ASSESSMENT CHECKLIST

This checklist is intended to assist your organization in assessing its readiness to comply with the Administrative Simplification standards contained in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) that relate to electronic transactions and code sets (“TCS Rule”). The checklist also contains a description of the proposed rules relating to unique identifiers that are to be used in conducting such transactions. HIPAA’s Administrative Simplification standards relating to security and electronic signatures (“Security Rule”) and the privacy of individually identifiable health information (“Privacy Rule”) are addressed in separate checklists.

Completion of the checklists is one method of documenting your organization’s HIPAA compliance efforts. We strongly recommend that you keep a file copy of each checklist after it has been completed.

For additional HIPAA information and answers to FAQs, you may wish to consult the following websites: <http://www.hcfa.gov/hipaa/hipaahm.htm> and <http://www.hipaadvisory.com>.

The compliance date for the HIPAA Transactions and Code Sets Rule is October 16, 2002, subject to extension.

DISCLAIMER: These checklists are intended only for use as an aid to your organization in assessing its compliance with the HIPAA Administrative Simplification standards. Notices of Proposed Rulemaking (“NPRM”) continue to be issued that may change the scope and content of the standards on which the checklists are based. The checklists have not been tailored to any individual organization’s specific needs or requirements, and use of them will neither assure that any individual organization is compliant with HIPAA nor constitute certification of HIPAA compliance.

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HIPAA TRANSACTIONS AND CODE SETS GAP ASSESSMENT CHECKLIST

A summary of the TCS Rule and proposed rules regarding unique identifiers is set forth below:

TCS Rule

The TCS Rule contains standards for several common electronic transactions and the code sets to be used in conducting such transactions. HIPAA defines “transactions” as “the transmission of information between two parties to carry out financial and administrative activities related to health care.”

45 CFR § 160.103. The transactions covered under the TCS Rule include those related to health claims and equivalent health encounter information, health plan eligibility, health plan enrollments and disenrollments, health care payment and remittance advice, health plan premium payments, healthcare claim status, referral certification and authorization, and coordination of benefits (“Standard Transactions” or “ST”). 45 CFR §§ 160.103 and 162.103. HIPAA also provides for standards for first report of injury and claims attachments, but the standard for first report of injury has not yet been proposed and that for claims attachments has not been finalized.

Health plans, health care clearing houses, and health care providers that conduct Standard Transactions electronically must comply with the requirements of the TCS Rule. Even faxback and HTML transactions within an organization are not excepted from application of the Rule; the single exception specified in the Rule is as to the format for direct data entry transactions offered by health plans to health care providers. 45 CFR §§ 160.103 and 162.923.

Unique Identifiers

HIPAA also provides for the establishment of unique identifiers for health care providers, employers, health plans, and individuals for use in transmitting health information. Work on the establishment of a rule containing a unique identifier for individuals was stopped as the result of privacy concerns. The rule proposed for employers would adopt the IRS Employer Identification Number (“EIN”) as the unique identifier. The rule proposed for health care providers would assign each provider an eight-digit number as its National Provider Identifier (“NPI”). Specific information on the proposed rule for a unique identifier for health plans is not yet available.

The date by which organizations covered by the TCS Rule must comply with the Rule is October 16, 2002, unless the organization is eligible for and has filed a compliance plan by October 15, 2002, in which case the compliance date is October 16, 2003. To file a compliance plan electronically, which is recommended by the Centers for Medicare and Medicaid Services (“CMS”), go to <http://www.cms.hhs.gov/hipaa/hipaa2/ASCAForm.asp>.

Compliance dates have not been set for implementation of the unique identifiers, as those rules are not yet final.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

HIPAA TRANSACTIONS AND CODE SETS GAP ASSESSMENT CHECKLIST

Transactions and Code Sets: Applicability

	Yes	No
Does your organization bill Medicare for any of the services it provides? ¹		
Does your organization conduct any of the following transactions in electronic form? (If so, your organization must conduct such transactions as Standard Transactions (“ST”) in conformance with the TCS Rule.)		
<ul style="list-style-type: none"> health claims & equivalent health encounter information 		
<ul style="list-style-type: none"> health plan enrollments & disenrollments 		
<ul style="list-style-type: none"> health plan eligibility 		
<ul style="list-style-type: none"> healthcare payment and remittance advice 		
<ul style="list-style-type: none"> health plan premium payments 		
<ul style="list-style-type: none"> healthcare claim status 		
<ul style="list-style-type: none"> referral certification and authorization 		
<ul style="list-style-type: none"> coordination of benefits 		
Does your organization use Business Associates to conduct ST electronically on its behalf ²		

Transactions and Code Sets: Existing Code Set Usage

	Yes	No
Does your organization have the current code standards for the ST it uses?		
Has your organization assigned someone to keep its code standards current?		
Is your organization currently using any of the following DHHS-designated standard medical data code sets?		
<ul style="list-style-type: none"> CPT-4 (Current Procedural Terminology, 4th Edition) 		
<ul style="list-style-type: none"> Code on Dental Procedures and Nomenclature (ADA) 		
<ul style="list-style-type: none"> HCPCS (HCFA Common Procedural Coding System) 		
<ul style="list-style-type: none"> International Classification of Diseases, 9th Edition, Clinical Modification, v. 1-3 (ICD-9) 		
<ul style="list-style-type: none"> National Drug Code (NDC) 		

Transactions and Code Sets: Compliance with Specifications

	Yes	No
Has your organization downloaded and reviewed the Implementation Guides for the ST it uses?		
Does your organization have a plan for converting to STs?		
Has your organization begun the conversion process?		
Has your organization completed the conversion process, including running tests & correcting errors?		

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

HIPAA TRANSACTIONS AND CODE SETS GAP ASSESSMENT CHECKLIST

If your organization has not completed the conversion and testing process, will it do so by October 16, 2002?		
Has your organization trained its workforce in its responsibilities under the TCS Rule?		
Does your organization have trading partner agreements with all relevant Business Associates that require the trading partner not to change or modify standards and codes in compliance with 45 CFR § 162.915?		

Transactions and Codes Sets: Extension

	Yes	No
If your organization cannot complete implementation of the TCS Rule requirements by the compliance date, has it planned to apply for an extension?		

Notes

1. If so, your organization will be required to submit claims to Medicare electronically by October 16, 2003. As a result, even if your organization conducts no other Standard Transactions electronically, it will be required to comply with the TCS Rule.
2. Business Associates are individuals and entities not part of your organization's workforce that conduct functions or activities (such as claims processing or administration; data analysis, processing, or administration; utilization review; quality assurance; billing; benefit management; practice management; and repricing) on your organization's behalf involving the use or disclosure of individually identifiable health information. 45 CFR § 160.103. If your organization uses Business Associates to conduct ST electronically on its behalf, then it must require Business Associates, their agents, and subcontractors to comply with the TCS Rule. 45 CFR § 162.923.
3. The Implementation Guides may be obtained at http://hipaa.wpc-edi.com/HIPAA_40.asp.