

CLEARINGHOUSES AND HIPAA

“HIPAA, HIPAA, HIPAA. What’s all this about HIPAA? I don’t have to worry about HIPAA, because I send claims through a clearinghouse.” Don’t assume that if you submit claims through a clearinghouse that the Health Insurance Portability and Accountability Act (HIPAA) doesn’t affect you. If you conduct transactions electronically, HIPAA applies to you, even if you use a clearinghouse.

You may send your claims, status or eligibility inquiries and/or receive your responses and remittance through a clearinghouse. Providers may be able to achieve compliance by sending their transactions (such as claims) through a clearinghouse. Clearinghouse charges are the provider’s responsibility.

In general, clearinghouses may take your non-standard transaction and convert it to a standard transaction and send it to the appropriate payer (and vice versa). For example, you may send a clearinghouse your claims. The claims may be a print image of a HCFA-1500, NSF, ANSI, or proprietary format. Under HIPAA, the clearinghouse would then convert the claims to a standard (ANSI X12 4010) transaction and send the claim to the appropriate payers, including Medicare.

You may think, “But, I send through a clearinghouse, so why should I worry about HIPAA?” True, you may be able to achieve compliance by billing through a clearinghouse. You may still need modifications to your current billing system. Information may be needed in the standard ANSI X12 4010 transaction that is not present in your current billing system. Your billing system may not be able to provide all the data needed in order for the clearinghouse to convert the claim to a standard 4010 transaction.

A gap analysis of your current billing format and the data content of the ANSI X12 4010 transaction is necessary. A clearinghouse may have a plan on gap filling the information missing from the non-4010 transaction to the standard 4010 transaction; it may not. It may require you send them the minimum data required to create an ANSI X12 4010 transaction. Modifications to your billing data and software may still be necessary even though you may bill through a clearinghouse. Please contact your clearinghouse and vendor to determine their plans for HIPAA compliance.

Unless you have requested an extension, by October 2002, Medicare will accept only ANSI X12N 4010 transactions and will only issue 4010 electronic remittance. Providers, billing services and clearinghouses that submit claims electronically must submit in X12N 837, version 4010. If you fail to prepare, you may not be able to send electronic claims or receive electronic remittance, significantly impacting your business and cash flow.

Be prepared, be informed, be HIPAA-literate. Understand HIPAA and how it applies to you and your business.