

September 26, 2003

RE: Important Information about WPS' HIPAA Contingency Plan

WPS Trading Partner,

As you know, WPS is committed to HIPAA compliance. For the past few months, we've been testing the ANSI X12 version 4010 electronic health care transactions with providers, billing vendors, and other trading partners to ensure they meet HIPAA requirements.

Many of our trading partners have successfully tested their EDI formats and beginning October 16, 2003; have been approved to submit claims data using the HIPAA standards.

Other trading partners, despite reasonable and diligent efforts to become compliant, won't be able to test with WPS or convert to the HIPAA standards prior to the deadline. **Therefore, we'll need to implement our contingency plan to maintain the flow of payments, while continuing to work with our trading partners toward compliance.**

After October 16th, WPS will follow the good faith guidelines established by the Centers for Medicare and Medicaid Services (CMS) to accept HIPAA compliant transactions and continue to accept transactions in legacy formats while our trading partners work through issues related to implementing the HIPAA standards.

CMS' good faith guidelines, published on July 24, 2003, are documented on their Web site at www.cms.hhs.gov/hipaa/hipaa2/guidance-final.pdf. In determining whether good faith efforts toward compliance have been made, CMS will place strong emphasis on sustained actions and verifiable progress.

WPS will continue its active outreach and testing efforts to bring its trading partner community into compliance in the days before and, if necessary, after October 16, 2003. In the remaining time before October 16th, we strongly encourage your office to work with your vendor or clearinghouse to complete changes to your EDI transaction formats and test your changes with WPS as soon as possible. We look forward to working with all of our trading partners toward successful HIPAA implementation.

Sincerely,

WPS Electronic Data Services