
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal AB-02-071

Date: MAY 10, 2002

CHANGE REQUEST 2168

SUBJECT: HIPAA Model Compliance Plan and Instructions

This Program Memorandum (PM) announces the availability of a Model Compliance Plan and Instructions for covered entities other than small health plans (those with less than \$5 million in annual receipts) to use to request a one-year extension – to October 16, 2003 – for compliance with the HIPAA Electronic Health Care Transactions and Code Sets standards (codified at 45 C.F.R. Parts 160, 162).

The attached bulletin/newsletter article alerts providers to the availability of the plan and instructions. Print the attached article in your regularly scheduled bulletins/newsletters and post on your Medicare provider Web site through October 15, 2002. According to your situation, you must include one of the three listed paragraphs concerning free billing software in your article. The wording in the article must otherwise be published as written, without modification.

Contractor Role in Provider Education

Contractors should immediately notify physicians, non-physician practitioners and other health care providers and suppliers via existing bulletins, newsletters, Web sites and/or other communication vehicles that this Model Compliance Plan and Instructions now reside on the CMS Web site and are available for their use. Medicare contractors should refer provider/supplier questions to their provider education staff or other appropriate persons to answer questions.

Extension Request for Medicare

CMS will submit a compliance plan extension on behalf of each contractor covering their Medicare operations. The compliance plan extension for any non-Medicare operations must be filed by the company responsible for those operations. The extension request for Medicare will not cover any non-Medicare operations.

The *effective date* for this PM is May 10, 2002.

The *implementation date* for this PM is May 10, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after October 16, 2002.

If you have any questions, submit them to askhipaa@cms.hhs.gov.

Attachment

HIPAA Model Compliance Extension Plan and Instructions Now Available

In 1996, the Health Insurance Portability and Accountability Act (HIPAA) became law. It requires, among other things, that the Department of Health and Human Services establish national standards for electronic health care transactions and code sets. October 16, 2002 is the deadline for covered entities such as health plans, clearinghouses and providers (such as physicians, dentists, hospitals, nursing homes and others) to comply with these new standards. However, in December 2001, the Administrative Simplification Compliance Act (ASCA, Public Law 107-105) gave covered entities not compliant by October 16, 2002 the opportunity to extend their compliance deadline by 1 year – to October 16, 2003. This extension opportunity is applicable to all HIPAA covered entities other than small health plans (those with less than \$5 million in annual receipts whose compliance date is already set for October 16, 2003). In order to qualify for this extension, covered entities must submit a compliance plan by October 15, 2002.

A model compliance plan and instructions on how to complete and submit it are available on the Centers for Medicare & Medicaid Services (CMS) Web site, www.cms.hhs.gov/hipaa. You can submit this on-line model plan electronically through the Web site or print and mail it. You can submit your own paper version of the plan as long as it provides equivalent information (covered entity and contact information; reasons for filing for the extension; HIPAA implementation budget information; and where you are in implementing and testing including whether or not you plan to use a vendor). The CMS strongly encourages electronic filing but if you must file on paper, you should send your form to Attention: Model Compliance Plans, Centers for Medicare & Medicaid Services (CMS), P.O. Box 8040, Baltimore, MD. 21244-8040. The deadline for both electronic and paper submissions is October 15, 2002.

If you file electronically through the Web site, you will receive an electronic confirmation number acknowledging and granting your extension. If you file a paper version, you won't receive a confirmation, but if your paper plan consists of the required equivalent information, you may consider your extension granted.

The instructions give more details on how to complete the form; explanation of who should file for an extension; data you need to include; and where to get more information on definitions, frequently asked questions, etc.

For more information, submit questions to askhipaa@cms.hhs.gov.

Providers Using Medicare Supplied Billing Software

INSERT THE FREE BILLING SOFTWARE PARAGRAPH FROM BELOW THAT BEST REFLECTS YOUR SITUATION

Free Billing Software Paragraph Options:

1. Medicare contractors will continue to provide electronic billing software for providers to use to submit their Medicare claims. The HIPAA compliant version of this software may not be available until December 2002. As this is after the initial compliance deadline of October 16, 2002, any providers that plan to use the current version of this software after October 15, 2002 must submit a Compliance Extension Plan as described above.
2. Medicare contractors will continue to provide electronic billing software for providers to use to submit their Medicare claims. The HIPAA compliant version of this software is available now from (*insert Web site and/or contact information*). Any providers who will use the non-HIPAA version Medicare billing software at any time between October 16, 2002 and October 16, 2003 must submit a Compliance Extension Plan as described above.

3. Medicare contractors will continue to provide electronic billing software for providers to use to submit their Medicare claims. The HIPAA compliant version of this software will be available *(insert date)* from *(insert Web site and/or contact information)*. Any providers who will continue to use the non-HIPAA version Medicare billing software at any time between October 16, 2002 and October 16, 2003 must submit a Compliance Extension Plan as described above.