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MEDICAL MANAGEMENT
SOLUTIONS

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Dear Valued Client:

As you know, the deadline for compliance with the HIPAA data transaction standards is October 16, 2002. As of this date, all HIPAA "covered entities" are required to send and receive electronic claims in the ANSI X12N 4010 format. Most physician offices, surgery centers, and clinics are considered covered entities under HIPAA, and are thus required to comply.

However, an extension is available for any covered entity that files for one by October 15, 2002. By filing for this extension, entities may continue to send and receive electronic claims under their current formats until October 16, 2003. An extension may be filed online at www.cms.hhs.gov/hipaa.

Earlier this year, C&S Research recommended that all clients file for this extension. Since then, the Centers for Medicare and Medicaid Services, formerly HCFA, has also encouraged all providers to file for this extension. In addition, many carriers, including many Blue Shield, Medicaid, and commercial payors, are not themselves fully compliant with the new standards, so could not process HIPAA-compliant claims even if you sent them. **For these reasons, C&S Research is again strongly urging all clients to file for this extension by October 15, 2002.** This is the only way that you can be sure that you will continue to receive reimbursement for your submitted claims after the October 16, 2002 deadline, and avoid penalties for non-compliance.

Once you have filed for an extension, you will have until April 2003 to begin testing the new HIPAA-compliant format. **You must have already begun the HIPAA testing process by April 2003.** In many cases, C&S will be able to test for all clients in a given area at one time, e.g., Pennsylvania Medicare, and so each client would not have to test separately. This is sometimes referred to as "vendor-level" testing. In other cases, testing must be done separately for each client. Once the testing is complete, clients may begin using the new format. A listing of carriers and payors for which C&S Research has completed vendor-level testing can be found on our website at www.csrc.com/hipaa.

In order to facilitate the testing process, all clients must complete the attached C&S Research HIPAA Transaction Testing Enrollment form in order to be scheduled for testing. On this form, you will need to list each carrier/payor to whom you send electronic claims, along with your submitter number for that carrier, and the date you would like to begin testing. **If testing is not required for a particular carrier/payor, or has already been completed by C&S Research, then C&S will assist you in setting a date to start transmitting production claims in the new format.** If you do not know when a particular carrier/payor will be ready to begin the testing process, please contact that carrier or payor for details.

C&S Research remains fully committed to helping all of our clients become compliant with the HIPAA standards. You can always learn the latest HIPAA news from C&S by visiting our website at www.csrc.com/hipaa. You can assist in this process by continuing to notify us of any new information you receive from a carrier or payor. If you have any questions or concerns, please do not hesitate to call.

Sincerely

Aldo DiDomenico
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