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September 10, 2003

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To: CBA Home and Community Support Services (HCSS) Agencies
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Medically Dependent Children Program (MDCP) Providers
Nursing Facilities
Primary Home Care (PHC) Agencies
Programs of All-Inclusive Care for the Elderly (PACE) Agencies
Special Services to Persons with Disabilities (SSPD) Agencies
Therapy Providers

Subject: Long Term Care (LTC)
Information Letter No. 03-32
Provider Letter No. No. 03-26
HIPAA Implementation; Including Downtime for Claims Processing

This letter provides information about the implementation of the Health Insurance Portability and Accountability Act (HIPAA) Transactions and Code Sets effective October 16, 2003. It also serves as a reminder of other HIPAA implementation issues.

1) Downtime/cutoff period for claims processing

The National Heritage Insurance Company (NHIC) will not process any claims beginning at **6:00 p.m. on Wednesday, October 15, 2003**. NHIC will resume processing claims at **12:01 a.m. on Friday, October 17, 2003**.

Please be aware that the Texas Department of Human Services (DHS) has every intention of ensuring that HIPAA is implemented as smoothly as possible and without financial impact on provider agencies. Therefore, in the event that DHS is unable to accept claims from provider agencies, DHS may consider issuing administrative payments to HIPAA compliant provider agencies. DHS will communicate additional information at a later date.

2) HIPAA compliant claim formats

- Provider agencies that submit claims electronically, using TDHconnect, must use the HIPAA compliant TDHconnect 3.0 software beginning with claims submitted on or after October 16, 2003.
- Provider agencies that submit claims electronically using other billing software must ensure that this software is HIPAA compliant effective October 16, 2003. Provider agencies should contact their billing service or software vendor to ensure that the software has been tested with NHIC prior to October 3, 2003.
- Provider agencies that use the paper DHS Form 1290 must use the newly revised form (dated October 2003) beginning with claims submitted on or after October 14, 2003.

3) Last day to submit claims to NHIC using current/old format

To ensure that claims are processed by NHIC (using the current/old format) prior to the cut-off period:

- Electronic submitter provider agencies should submit claims (on TDHconnect 2.0) to NHIC no later than **NOON on Tuesday, October 14, 2003**, and
- Paper submitter provider agencies need to ensure that claims are **received** by NHIC no later than **NOON on Monday, October 13, 2003**.

4) Splitting of claims prior to and after October 16, 2003

When billing for services provided in the month of October, provider agencies **must** submit claims line items as follows:

- The first line item must include services provided from **October 1, 2003 – October 15, 2003** (prior to HIPAA implementation); and

- The second line item must include services provided from **October 16, 2003 – October 31, 2003** (after HIPAA implementation).

Exception: For services that are billed monthly [e.g., Emergency Response Services (ERS), case management, Programs of All-inclusive Care of the Elderly (PACE), etc.], it is recommended that (for the month of October 2003 only) provider agencies bill for one day: **October 1, 2003 – October 1, 2003** after the last date of service.

5) Bill Code Crosswalk

Provider agencies should ensure that claims submitted on or after October 16, 2003 are prepared using information provided on the Bill Code Crosswalk. The Bill Code Crosswalk is now available at the NHIC website at the following address: www.eds-nhic.com/LTC/default.htm.

6) Claims Status Inquiry (CSI)

With the HIPAA compliant format, provider agencies will no longer be able to request CSI queries by provider/contract number. Agencies that currently use the CSI functionality for bookkeeping purposes may want to download at least a year of data by October 1, 2003.

7) Additional information for TDHconnect 2.0 users

To ensure the timeliness and accuracy of the implementation of HIPAA Transactions and Code Sets on and after October 16, 2003, NHIC has established several deadlines and cutover dates that affect Long Term Care provider agencies. Key preparation activities and target dates are identified below:

- Providers should **begin** receiving the TDHconnect 3.0 CD-ROM on October 1, 2003. Please be aware that once TDHconnect 3.0 is installed onto the computer, it will overlay the previous TDHconnect 2.0 version. Therefore, it is recommended that the 3.0 version not be installed in the same computer that houses 2.0 until claims are ready to be submitted in the HIPAA compliant format;
- Providers who have not received the TDHconnect 3.0 CD-ROM by October 10, 2003 should contact the LTC NHIC Help Desk (1-800-626-4117 or 512-335-4729);
- NHIC recommends that providers download Service Pack 7 **before** installing TDHconnect 3.0;
- Providers must install TDHconnect 3.0 before October 16, 2003; and,
- Providers must download and install Service Pack 1 **after** completing the installation of TDHconnect 3.0.

For more information on preparing for HIPAA Transactions and Code Sets implementation, please refer to page 15 of the August 2003 NHIC LTC Bulletin, No. 15. This bulletin was mailed to LTC providers on August 1, 2003 and is also available on the NHIC LTC website at www.eds-nhic.com/LTC.

*****IMPORTANT REMINDER ABOUT
TDHConnect 3.0 System Requirements*****

1) The minimum PC hardware requirements to use TDHconnect 3.0 have increased from:

- A Pentium class processor to a PC with a 400 megahertz (MHz) Pentium II processor; and
- 64 megabytes (MB) of RAM to 128 MB of RAM.

Minimum PC requirements to use TDHconnect 3.0 are described below:

Operating System

- Microsoft Windows 95, 98, ME, 2000 – 128 MB of RAM
- Windows NT 4.0 – 128 MB of RAM

Hardware

- Pentium II, 400 MHz processor
- 128 MB of RAM
- 100 MB of hard disk space for installation
- 50 MB of hard disk space per user per year for databases
- 800 X 600 resolution VGA (monitor resolution), 256 colors
- CD-ROM Drive
- Modem that supports 9600 bps (Recommended: 28800 bps or greater)

Software

- Microsoft Internet Explore (I.E.) 4.01 Service Pack 2 or higher
- Adobe Acrobat 4.0

This means that to use TDHconnect 3.0 (effective October 16, 2003) provider agencies must either upgrade their existing computers or buy a new processor to increase the PC speed and purchase more memory to obtain the 128 MB of RAM required. Alternatively, provider agencies can purchase a new PC that is equipped with the minimum hardware requirements.

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Additionally, providers should be aware that the NHIC does not and has never supported Microsoft Windows XP.

Have questions about this information letter?

- Community Care Provider Agencies – Contact your regional contract manager or CMS Coordinator.
- Nursing Facility and Therapy Providers – Contact the Provider Claims Services Help Desk.
- All LTC Providers – Contact the NHIC LTC Help Desk with questions about TDHconnect software requirements at 1-800-626-4117 or 512-335-4729.

Sincerely,

[Signature on file]

Marilyn Eaton
Lead Director
Long Term Care Services

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