

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

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September 23, 2003

TO: County Drug and Alcohol Program Administrators Drug MediCal  
Direct Contract Providers

SUBJECT: Health Insurance Portability and Accountability Act (HIPAA) Transactions and  
Code Sets (TCS) Compliance for the Short-Doyle/Medi-Cal (SD/MC)  
Claiming System

**Purpose**

The purpose of this letter is to announce that the Collaborative HIPAA Implementation Project (CHIP) sub-workgroup has released the first version of the technical guides for HIPAA TCS compliance. CHIP is a partnership for the coordination and implementation of HIPAA compliance efforts between the Department of Alcohol and Drug Programs (ADP), Department of Mental Health (DMH), California Mental Health Plans, Department of Health Services (DHS) and various representatives of state and county staff with business and technical knowledge about programs and information systems. The technical guides describe how to develop claims for SD/MC services in compliance with HIPAA national standards for transactions that become mandatory on October 16, 2003. Enclosed is a flow chart illustrating the Issues and Risks Management Process used by ADP's HIPAA Branch to assess and mitigate issues that arise concerning HIPAA. (See Enclosure 1). Also enclosed is a list of HIPAA Branch staff for your information. (See Enclosure 2).

**Background**

The Administrative Simplification Act provisions of HIPAA require the federal Department of Health and Human Services to establish national standards for electronic health care transactions and national identifiers for providers, health plans, and employers. The Act also defines standards for the security and privacy of protected health information (PHI). These standards have been established to improve the efficiency and effectiveness of the nation's health care system through the use of specific guidelines for privacy, security, and the transmission of PHI. The compliance date for each of these rules is:

Privacy-April 14, 2003  
Transactions and Code Sets (TCS)-October 16, 2003  
Security-April 21, 2005

As the compliance date for TCS quickly approaches, continuity of services and payments

remains the highest priority for ADP. Resource and time limitations have led ADP and its partners in the SD/MC claiming process, DMH, and the DHS, to implement a two-phase process to achieve full HIPAA compliance for the SD/MC system.

The objective of Phase I is the continuation of timely claim reimbursements after the TCS compliance deadline of October 16, 2003. Phase I will allow ADP and DMH to accept claims and return payment information in HIPAA compliant format and data content, including national procedure codes, for those counties and providers who will be able to submit HIPAA compliant claims by October 16, 2003. The overall SD/MC claiming system will be changed only to the extent necessary to successfully process HIPAA compliant claims and create HIPAA compliant payment/advices. **Please note, the existing proprietary claim format and codes will continue to be accepted from counties and direct providers, via the normal processes, who receive SD/MC funds but are not yet able to submit HIPAA compliant claims on October 16, 2003. Paradox and AOD Infonet systems will not change nor will they become HIPAA compliant.**

Phase II will consist of the implementation of a long-term remediation solution and system re-engineering to meet all functional aspects of HIPAA requirements including the following transactions: financial balancing, claim inquiry responses, claim replacements, and reversals.

### **Phase I Schedule**

During Phase I, an automated translator will convert a HIPAA compliant claim, called an 837P transaction, into the current proprietary SD/MC claim format. This translator will also convert the proprietary SD/MC Explanation of Balances (EOB) format to the HIPAA compliant payment/advice format, called an 835 transaction. In addition to the 835 transaction, ADP and DMH will continue to provide counties and direct providers with their EOB files and Error Correction Reports. ADP has begun testing the 837P transactions and will continue testing in the order of county and direct provider readiness as specified in the HIPAA Readiness Survey, which was supposed to be submitted by all counties and direct providers.

### **Technical Guide (Mapping Guides and Code Crosswalk)**

A technical guide is a description of how to translate the current proprietary SD/MC claim or EOB information into HIPAA compliant TCS format. For Phase I, there are three guides, two describe HIPAA compliant transaction mapping and the third is a Code Crosswalk.

The ADP Code Crosswalk (Tab 8), which became available at the end of August, translates the local proprietary procedure codes into the HIPAA standard codes.

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The 837P transaction mapping guide for professional service claims and the 835 transaction mapping guide for claim payment/advice are also available on the ADP Web site. (See Enclosure 3). All of the guides are formatted as Excel workbooks. Periodic updates to the mapping guides and code crosswalk will be posted as necessary to the ADP Web site.

Please forward copies of this letter to your HIPAA Coordinator and your SD/MC Program and Information Technology staff. ADP staff listed below are available to answer questions regarding HIPAA compliant claim submissions and procedures:

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Ms. Sandra Corti Fiscal Analyst  
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If you have any questions, please contact Ms. Gloria Woodlock, HIPAA Communications Manager, at (916) 322-1935, or me at (916) 322-5160.

Sincerely,

KEITH W. COPPAGE  
Manager  
Health Insurance Portability and Accountability Branch

cc: Mr. Michael Ellison, Supervisor  
Fiscal Management and Accountability Branch

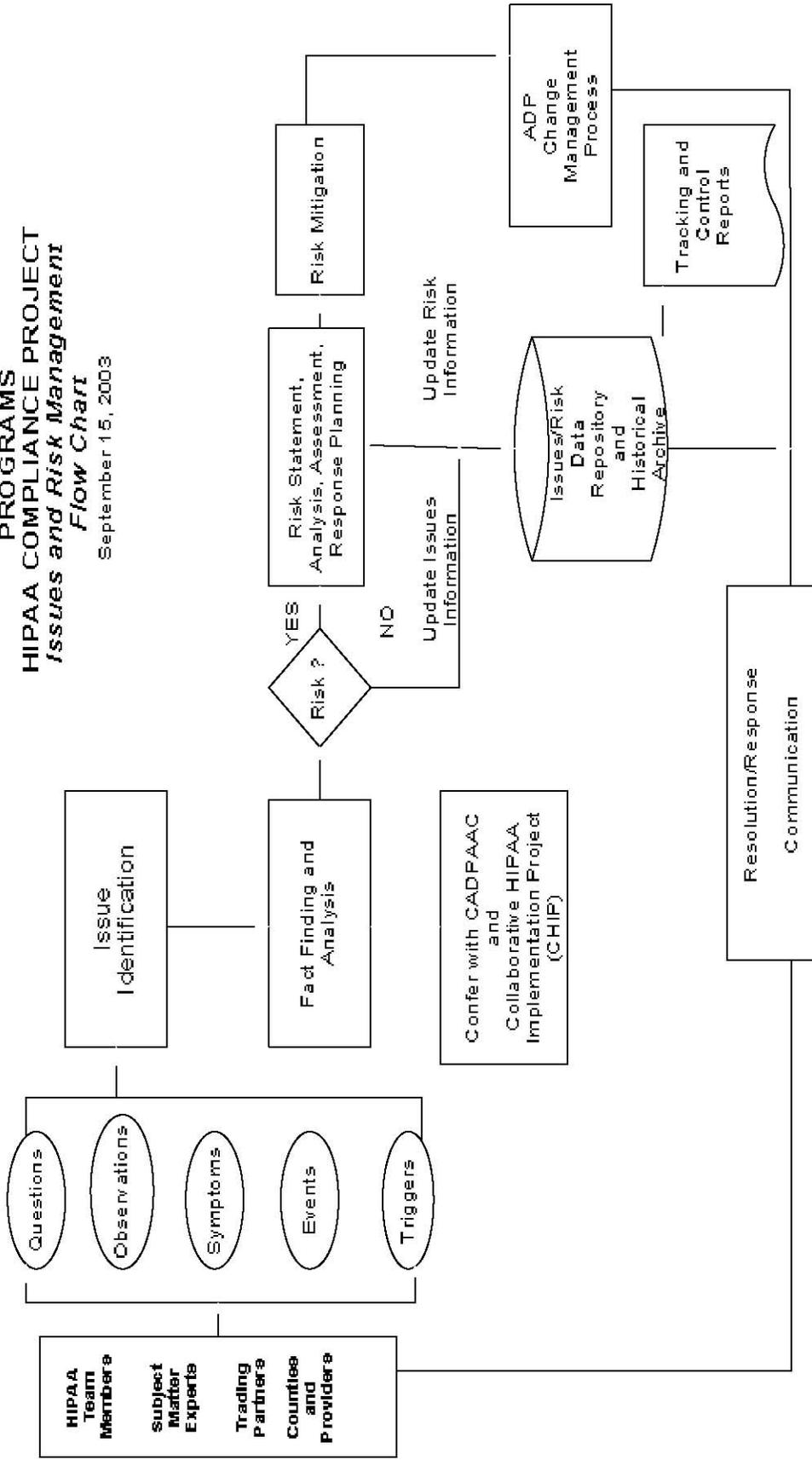
Ms. Sandra Corti, Fiscal Analyst  
Fiscal Management and Accountability Branch

Enclosures: Risk Management Flow Chart (Enclosure 1)  
List of HIPAA Staff (Enclosure 2)  
TCS Technical Guides Table of Contents (Enclosure 3)

HIPAA TCS Technical Guides Table of Contents			
	837P Claim	837I Claim	835 Payment/Advice
Tab 1	Change Control	<b>ADP DOES NOT USE THIS CLAIM FORMAT</b>	Change Control
Tab 2	Map Legend		Map Legend
Tab 3	ISA Segment Interchange Control Header		ISA Segment Interchange Control Header
Tab 4	GS Segment Functional Group Header		GS Segment Functional Group Header
Tab 5	837P Transaction Map		835 Transaction Map
Tab 6	GE Segment Functional Group Trailer		GE Segment Functional Group Trailer
Tab 7	IEA Segment Interchange Control Trailer		IEA Segment Interchange Control Trailer
Tab 8	ADP Service Code Crosswalk		Sort Key Crosswalk (aka Claim Adjudication Type)
Tab 9	DMH Service Code Crosswalk		Third Party Liability Indicator Crosswalk
Tab 10	Minute to Units Conversion		Error Message Crosswalk
Tab 11	Duplicate Payment Override Code Crosswalk		Transaction Code Denial Reason Code Crosswalk
Tab 12	Delay Reason Crosswalk		835 Code Definitions: 1. Claim Status Code 2. Claim Adjustment Group Code 3. Health Care Claim Adjustment Reason Codes 4. Remittance Advice Remark Codes
Tab 13	Crossover Indicator Crosswalk		
Tab 14	DMH Service Crosswalk Examples		

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 HIPAA COMPLIANCE PROJECT  
*Issues and Risk Management Flow Chart*

September 15, 2003



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**ADP HIPAA BRANCH STAFF LIST**

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