

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

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TO: County Alcohol and Drug Program Administrators
Drug Medi-Cal Direct Providers
HIPAA Lead Personnel
County Alcohol and Drug Program Fiscal Offices

SUBJECT: Testing and Certification Procedures for Health Insurance Portability and
Accountability Act Drug Medi-Cal (HIPAA DMC) Claims Submission

Purpose

The new HIPAA regulations require all claims submitted after October 16, 2003 to be in the standard X-12 HIPAA format. This letter outlines the procedures counties and direct providers must follow before sending HIPAA formatted Drug Medi-Cal claims to the California Department of Alcohol and Drug Programs (ADP) for processing. In order to submit HIPAA compliant claims, counties and direct providers must be certified. The process for submitting a test file and certification is discussed in this letter.

Background

The changes introduced in this letter are part of ADP's efforts to achieve HIPAA compliance. Please refer to the previous letter dated September 23, 2003, for additional details regarding the implementation of the HIPAA Transaction and Code Sets (TCS) Rule available on the ADP Web site at [www.adp.ca.gov/hipaa/what's new](http://www.adp.ca.gov/hipaa/what's_new). The letter indicates that the existing DMC proprietary claim file formats (e.g., Paradox DMC claim diskette, paper ADP 1584 form) and local codes will continue to be accepted from counties and direct providers who are unable to meet the HIPAA TCS implementation deadline. This accommodation is to ensure the continuation of Medi-Cal reimbursements for alcohol and other drug (AOD) services. However, it is important to note that this accommodation does not meet the requirements of HIPAA as defined by the Centers for Medicare and Medicaid Services (CMS).

Short Doyle Medi-Cal (SD/MC) HIPAA Compliant Claim File Submission Requirements

All HIPAA compliant claims must conform to a new file name convention as defined in ADP HIPAA Claim File Submission Requirements-Appendix B. ADP is working in partnership with the Department of Mental Health (DMH) to facilitate submission of ADP HIPAA Drug Medi-Cal claims using the DMH's Information Technology Web Server



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<http://www.flexyourpower.ca.gov>

(ITWS). The ITWS is a secure web portal that provides a user friendly, MS Window format for submitting claims, accessing Explanation of Balances (EOB) and subsequent HIPAA 835 remittance advice, the HIPAA Functional Acknowledgment (997 Transaction), and Edit and Duplicate Error Correction Reports (ECRs). Those counties and direct providers who choose to continue to submit Drug Medi-Cal proprietary format claims will continue to use the AOD InfoNet not the ITWS. **The ITWS will be used for submission of HIPAA claims only.**

ADP will continue to accept proprietary format claim files after the October 16, 2003 compliance due date from counties and direct providers that are not yet HIPAA compliant. **Proprietary claim files must continue to use the proprietary code sets. Similarly, HIPAA claim files must only contain valid HIPAA codes as described in the technical guides referenced in the letter dated September 23, 2003.** HIPAA claim files may contain claims for dates of service before October 16, 2003, but no earlier than April 1, 2003. Claims for dates of service before April 1, 2003, must be submitted in proprietary format because the CMS effective date for several procedure codes used by ADP was April 1, 2003. Finally, as with the proprietary files, claim service dates in a DMC HIPAA claim file must not cross fiscal years or service months.

HIPAA Claim Testing and Certification Procedure

ADP has established testing and certification procedures for counties and direct providers to follow in order to begin HIPAA 837P claim submissions. Counties and direct providers must be certified before submitting HIPAA 837P claims in the production environment. Please refer to the ADP HIPAA Phase I County/Vendor Testing and Certification Procedure (Appendix A) for the steps involved in the certification process. The certification procedure was established to help ensure that claims can be processed by the State based on the HIPAA format requirements, reduce claim errors, and thus maximize timely cash flow back to the counties and direct providers.

The county/direct provider must begin the certification process by submitting a small (10-20 records). HIPAA 837P test file that will determine that the file format is accurate and compliant with the HIPAA rules and the ADP code crosswalk. The final step is to submit a test file similar in the number of claims and total dollar amount to their average production claim file. At least 80 percent of the total billed amount of the claim test file must be successfully validated and translated for certification to occur.

Meeting this requirement is a two-step process. The first step confirms that the claim submitted is in HIPAA compliant format and the data content is compatible and is successfully translated from HIPAA format to the proprietary format. After passing step one, the test claim will be submitted to the SD/MC system for processing, and the resulting EOB and 835 will be returned to the ITWS for county/direct provider acceptance. After each county or direct provider has completed the testing and certification process, ADP will send an e-mail to the test contact, and a follow-up letter will be sent to the county/direct provider AOD Administrator, to verify that certification has

been achieved and HIPAA compliant claims will be accepted in the production environment.

Those counties and direct providers who become certified to submit HIPAA 837P claims will use the ITWS as the portal to submit all HIPAA claims. All counties and direct providers who will be submitting HIPAA format claims must initiate an account on the ITWS. Procedures for initiating this account are described in Appendix A of this letter. This account will be used for both testing and production submissions. The SD/MC HIPAA Phase I Remediation Claims Processing Flow Diagram (Appendix C) is enclosed as a reference to outline the process we will use for all HIPAA claims.

SD/MC HIPAA TCS Certification (County Acceptance)

The county/direct provider should review the test EOB and 835 files located on the ITWS in order to confirm that the adjudicated HIPAA claim meets the county's expectation. The county/direct provider must send an **e-mail** confirmation that the EOB and 835 test file is acceptable along with the date that they will be ready to submit a production claim file to Ms. Linda Bunker at lbunker@adp.state.ca.us.

The certification procedure is not complete until ADP receives this confirmation.

Claim File Submission Requirements

The requirements for submitting a claim file are outlined in Appendix B and must be followed precisely. Please forward copies of this information to your local HIPAA Coordinator, fiscal office, SD/MC program, and information technology staff. ADP staff is available to assist local programs with their transmission of HIPAA compliant SD/MC claims. This includes support to understand the technical guides and resolving technical issues regarding HIPAA compliant claim submission and testing procedures.

Once State system testing and user acceptance testing is completed, ADP will issue a detailed letter on the process for submitting HIPAA compliant DMC claims for State approval.

For questions about this letter, please contact Ms. Linda Bunker, Information Technology Project Manager, Information Management Services Division, at (916) 327-7471 or at the e-mail address listed above.

KEITH W. COPPAGE
Manager
Health Insurance Portability and Accountability Branch

Enclosures

**APPENDIX A: ADP HIPAA CLAIM Testing and Certification Procedure
For Counties, Direct Providers, and Vendors**

Testing Steps

- Step 1** Prepare county/direct provider/vendor 837P testing data.
- Step 2** Submit test data for HIPAA level 5 compliance. All claim files must meet WEDI SNIP Type 1 to 5 requirements as defined on page 3 of this document. If the county does not have a testing tool, a suggested product is available at www.claredi.com.
- Step 3** Obtain access to the Department of Mental Health's (DMH) Information Technology Web Server (ITWS) HIPAA 837 testing area:

Submit a new user request to obtain a user ID from the ITWS. If the county/direct provider/vendor test contact does not have a user ID for the ITWS, a new user request for access to ITWS HIPAA testing area must be submitted. For detailed new user enrollment instructions, go to [https://mhitws.cahwnet.gov/demo/How to Enroll_files/frame.htm](https://mhitws.cahwnet.gov/demo/How_to_Enroll_files/frame.htm).

Access to the ITWS HIPAA testing area will **NOT** be available until the county/direct provider/vendor test contact receives the authorization approval e-mail. The process can take three to five days. For answers to user access questions, contact: Loren Rubenstein at (916) 654-6249.

- Step 4** Compress file and name the county/vendor test data as follows:

The compressed claim file name must be in the format:

ADP_SDM_cc_T_837_yyyyymm_##.zip

The text claim file name must be in the format:

ADP_SDM_cc_T_837_yyyyymm_##.txt

cc: County code

yyyy: Calendar year applicable to the service period of the claims. Only one state fiscal year of claims may be included in a single text claim file.

mm: Calendar month applicable to the service period of the claims. **DO NOT** cross fiscal years or service months within a single text claim file.

##: Sequential number defining the number of files created for the same service period year and month. This character must sequence from "01" through "99".

Each claim file must be compressed and encrypted using PKZip® V6.0.147 or Winzip® V8.0 (or above). Each zip file may contain only one claim file. **DO NOT** cross fiscal years or service months within a single text claim file.

**APPENDIX A: ADP HIPAA CLAIM Testing and Certification Procedure
For Counties, Direct Providers, and Vendors**

- Step 5** Upload to ITWS:
A password is necessary for compressing the file. For detailed instructions, go to <https://mhhitws.cahwnet.gov/demo/Uploading%20Datafiles/frame.htm>
- Step 6** Contact the county/direct provider/vendor ADP Testing Representative: Claudio Mejia at (916) 323-1694; emailed at cmejia@adp.state.ca.us or Linda Bunker at (916) 327-7471; e-mailed at lbunker@adp.state.ca.us .
- The ADP representative will send the test claim file through the translator and assist with any errors or problems.
- Step 7** Check ITWS for Test Results:
ITWS will display the status of the submitted file, including 997 file download, translation errors, and translated claim file, Short Doyle/Medi-Cal (SD/MC) pre-edit results.
- Step 8** Begin process to receive Certification for Production:
The first file submitted should be a file with a few records to ensure that communication with the ITWS and X12 format requirements are met. After this file has been successful in an end to end test, then submit one 837 claim file that is equal to your average size submission through ITWS. Upon successful completion of this step, you will be certified by ADP for sending 837 claims into the SD/MC production environment (actual vs. test site).
- Step 9** ADP Certifies County/Direct Provider/Vendor for SD/MC Production Processing:
The following certification procedure will ensure the accuracy of the production HIPAA claim submissions.

Translator Certification

Once 80 percent of the 837 test file (total reported [claimed] dollar amount) is successfully translated into the proprietary format, it will be sent to the SD/MC system for processing, and the explanation of balances (EOB) and 835 will be returned to the ITWS.

SD/MC Certification (County/Direct Provider/Vendor Acceptance)

The county/direct provider/vendor should review the test EOB and 835 files from the ITWS to confirm the adjudicated test HIPAA claim meets their expectations. An e-mail confirmation of test file acceptance and readiness for production claim file submission must then be sent to the ADP representative. The certification procedure will not be completed until ADP receives this confirmation from the county/direct provider/vendor.

After the testing and certification is completed, ADP will send an e-mail to the test contact, and a follow-up letter will be sent to the county/direct provider/vendor. This certification allows the county/direct provider/vendor to begin submitting production claims in HIPAA format.

**APPENDIX A: ADP HIPAA CLAIM Testing and Certification Procedure
For Counties, Direct Providers, and Vendors**

**Workgroup for Electronic Data Interchange – Strategic National Implementation
Process (WEDI SNIP) Testing Type 1 to Type 5**

From: Transaction Compliance and Certification
WEDI SNIP – Transaction Work Group Testing Sub Workgroup
At http://www.wedi.org/snip/public/articles/Testing_whitepaper082602.pdf

Type 1: Electronic Data Interchange (EDI) syntax integrity testing – Testing of the EDI file for valid segments, segment order, element attributes, testing for numeric values in numeric data elements, validation of X12 syntax, and compliance with X12 rules. This will validate the basic syntactical integrity of the EDI submission.

Type 2: HIPAA syntactical requirement testing – Testing for HIPAA Implementation Guide-specific syntax requirements, such as limits on repeat counts, used and not used qualifiers, codes, elements, and segments. Also included in this type is testing for HIPAA-required or intra-segment situational data elements, testing for non-medical code sets as laid out in the Implementation Guide, and values and codes noted in the Implementation Guide via an X12 code list or table.

Type 3: Balancing – Testing the transaction for balanced field totals, financial balancing of claims or remittance advice, and balancing of summary fields, e.g., all claim line item amounts equal the total claim amount (see pages 19-22, Healthcare Claim Payment/Advice – 835 Implementation Guide).

Type 4: Situation testing – The testing of specific inter-segment situations described in the HIPAA Implementation Guides, such that: If A occurs then B must be populated. This is considered to include the validation of situational fields given values or situations present elsewhere in the file. Example: if the claim is for an accident, the accident date must be present.

Type 5: External code set testing – Testing for valid Implementation Guide-specific code set values and other code sets adopted as HIPAA standards. This will validate the code sets and make sure the usage is appropriate for any particular transaction and appropriate with the coding guidelines that apply to the specific code set. It validates external code sets and tables such as Common Physician Terminology (CPT), International Classification of Disease -9 (ICD-9), National Drug Codes (NDC), status codes, adjustment reason codes, and their appropriate use for the transaction.

APPENDIX B

ADP HIPAA-DMC CLAIM FILE SUBMISSION REQUIREMENTS

Requirements:

A Drug Medi-Cal Monthly Summary Invoice (ADP form 1592) must be submitted with each claim file submitted to ADP including HIPAA claims. Alternate versions of the form may not be used in place of this official form. Please contact your Fiscal Management Accounting Branch (FMAB) analyst for a copy of this form if necessary.

Each claim file must be compressed and encrypted using PKZip® or Winzip® compatible technology and the appropriate county/direct provider password as previously defined on the Department of Mental Health's Information Technology Web Service. Each zip file may contain only one claim file AND must not cross fiscal years or service months.

File Name Convention for ADP HIPAA Claim Files:

The compressed claim file name must be in the format:
ADP_SDM_code_x_837_yyyymm_##.zip

The text claim file name must be in the format:
ADP_SDM_code_x_837_yyyymm_##.txt

File Name Legend:

- code: County code (2 digits) or Direct Provider code (4 digits).
- x: T for testing data, P for production data.
- Filetype: "837" for files in HIPAA format, "PRO" for files in propriety format (157 bytes).
- yyyy: Calendar year applicable to the service period of the claims.
Only one state fiscal year of claims may be included in a single text claim file.
- mm: Calendar month applicable to the service period of the claims.
DO NOT cross state fiscal years or service month within a single text claim file.
- ##: Sequential number defining the number of files created for the same service period year and month. This character must sequence from "01" through "99".

**APPENDIX C: Short-Doyle/Medi-Cal HIPAA Phase I Remediation
Claims Processing Flow Diagram as of 10/10/03**

