

# TRANSACTION REGULATION OUTLINE AND CODE SET REGULATION OUTLINE

Compliance Date October 16, 2003

*The following HIPAA regulation outline must only be used as a high-level reference guide and not as a warranty or representation of Misys Healthcare Systems. You should obtain copies of the HIPAA final and proposed regulations in their entirety for complete details and descriptions.*

*The Department of Health and Human Services (HHS), the agency responsible for creating rules and regulations to comply with HIPAA, maintains a web site. This web site provides links to the Final and Proposed rules along with Frequently Asked Questions, Press Releases, Milestones, etc. relating only to Administrative Simplification. The HHS web site address is:*

*[www.aspe.hhs.gov/admsimp](http://www.aspe.hhs.gov/admsimp)*

**On 12/27/01 President Bush signed bill "HR 3323", enabling entities covered by HIPAA to extend compliance with the Transactions and Code Sets by one full year until October 16, 2003. This bill requires covered entities desiring the extension to submit a compliance plan to the Secretary of Department of Health and Human Services (DHHS) no later than October 16, 2002. By March 31, 2002 DHHS will provide a model compliance form that covered entities may use for submission to the Secretary.**

**This extension does not affect the compliance date for the HIPAA Privacy Regulation of April 14, 2003.**

**Transaction Standards** Subpart K 162.1101 - Subpart R 162.1801  
Compliance Date 10/16/2003

The transaction standard refers to the electronic exchange of information between two parties to carry out financial or administrative activities related to health care. It includes the following transaction types:

- 837 Health care claims or equivalent encounter information.
- 835 Health care payment and remittance advice.
- 837 Coordination of benefits.
- 276/277 Health care claim status.
- 834 Enrollment and disenrollment in a health plan.
- 270/271 Eligibility for a health plan.
- 820 Health plan premium payments.

Misys Healthcare Systems HIPAA solution for electronic claim and remittance transactions will be to direct these transactions through our clearinghouse, FastServices in Austin \*. Electronic claims and remittances will be translated into an ANSI 4010 HIPAA standard by FastServices then forwarded appropriately. Misys Healthcare Systems will modify its products to ensure data required for HIPAA transactions is collected. Misys Healthcare Systems goal is to have this solution available and deployed well in advance of the current October 16, 2003 compliance date.

\* *Exceptions include ADA (Dental) and DME Claims.  
HCIS claims will go directly to the payers.*

If a client is utilizing a Misys Healthcare Systems Interface for eligibility, claim status or referral transactions these interfaces will be re-engineered to meet the required HIPAA standards. Misys Healthcare Systems goal is to have this solution available and deployed well in advance of the current October 16, 2003 compliance date.

**Code Sets Standards** Subpart J 162.1000  
Compliance Date 10/16/2003

The standard refers to codes used to identify data elements, such as tables of terms, medical concepts, medical diagnostic codes, or medical procedure codes. A code set includes the codes and the descriptions of the codes. The adopted standard medical data code sets include:

ICD-9-CM	Diagnosis codes
*NDC	Drug codes
CPT-4	Procedure codes
HCPCS	Procedure code
CDT	Dental procedure codes

HIPAA eliminates all codes currently utilized by some payers known as local codes, homegrown codes, etc. Prior to the current compliance date, clients will need to replace any local codes they use with the appropriate Code Set standards.

\*On July 13, 2001 Department of Health and Human Services (HHS) published a notification retracting the adoption of NDC codes as the standard medical data code sets for reporting drugs and biologics. HHS will publish a notice of proposed rulemaking in the near future, before substantial work by the industry to convert to NDC's is underway.