CABINET FOR HEALTH SERVICES
COMMONWEALTH OF KENTUCKY
FRANKFORT, 40621-0001

DEPARTMENT FOR MEDICAID SERVICES
"An Equal Opportunity Employer M/F/D"

October 10, 2003

Provider Letter # A-1

Dear Medicaid Provider:

Recently, the Department for Medicaid Services (DMS) enacted its contingency plan for new electronic claim formats required under the Health Insurance Portability and Accountability Act (HIPAA). Under the contingency plan, providers may bill using either the HIPAA compliant format or the current electronic format. This contingency plan was necessary due to the low volume of successful electronic testing by providers and overall provider HIPAA readiness, which could negatively impact provider cash flow.

To that end, providers may continue to use their current claim submission format so long as claims are billed with the correct data. Due to local code changes, however, some data must be submitted in different claim fields. Please see the enclosure that outlines special billing instructions. Regardless of the claim format being used to submit claims for processing, when billing a procedure for a date of service 10/15/03 and before, bill local procedure and modifier codes and with a date of service 10/16/03 and after, bill the standardized HIPAA compliant modifier and procedure codes.

Billing instructions were recently sent to your office describing changes required for HIPAA compliance. Please be sure to bill using the enclosed revised instructions if your transactions are not yet HIPAA compliant. ***If you do not make these data changes your claims may be denied.***

If you have questions regarding your billing instructions, information is available through the Internet at the DMS website at http://chs.ky.gov/dms/provider/default.htm , and the Unisys website at https://www.kymmis.com/user/.

Questions also may be directed to Medicaid's Provider Relations unit toll-free at 800-807-1232, Monday through Friday. If you have questions regarding this letter, Service Representatives are available to take your call between the hours of 8:00 a.m. to 6 p.m., EDT.

Effective October 16th, the Provider Relations and Electronic Claims phone units will be available to take your call from 7:30 a.m. to 7:30 p.m., EDT. These hours will be in effect to at least the end of October.

Thank you for your participation in the Medicaid program and your continued commitment to providing quality care for our residents.

Sincerely,

Mike Robinson

Mike Robinson
Commissioner
Enclosure

Provider Types 24 – First Step A-1

1. **When billing with the new HIPAA compliant format;**

   Dates of service before October 16, 2003

   Continue using local procedure codes.
   Place your local 5-digits modifier, which consists of a 2-digit service provided code and a 3-digit Professional/Agency providing service identifier in the 2400 Loop – NTE02 field positions 19-23 and in the NTE01 element use the value "add".

   Dates of service after October 15, 2003

   Refer to the Implementation Guide and Companion Guide for instructions.
   You must use HIPAA compliant procedure and modifier codes when submitting claims for payment.

2. **When billing with the current electronic format;**

   Dates of service before October 16, 2003

   Continue billing your claims with no change, using local procedure and modifier codes.

   Dates of service after October 15, 2003

   Place the new modifiers in the same field as currently used.
   Proprietary format - Record 2, Field #19 – NDC NUMBER/CMHC MODIFIER – right justified.
   NSF format – Record ID FAO, Field #10.0 – HCPCS Modifier 1 and Field #11.0 – HCPCS Modifier 2.

   You must use HIPAA compliant procedure and modifier codes when submitting claims for payment