

Section 1: Introduction

Overview

The *Health Insurance Portability and Accountability Act of 1996* (HIPAA) legislation mandates that many of the major health care electronic data exchanges, such as electronic claims and remittance advices, be standardized into the same national format for all payers, providers, and clearinghouses. All providers who submit governed data electronically to the Indiana State Department of Health (ISDH) must submit in the mandated HIPAA formats on or after October 16, 2003.

HIPAA specifically names several electronic standards that must be followed when certain health care information is exchanged. These standards are published as *National Electronic Data Interchange Transaction Set Implementation Guides*. They are commonly called *Implementation Guides (IGs)* and are referred to as *IGs* throughout this document. The following table lists the adopted standards and the related ISDH business categories.

Table 1.1. – Standards and Business Categories

Business Category	Transaction Name/Implementation Guide (IG) including addendums	Description
Eligibility Verification	ASC X12N 270/271 (004010X092A1) Addendum	Health Care Eligibility Benefit Inquiry and Response
Claims Processing	ASC X12N 837 004010X098A1 Addendum	Health Care Claim: Professional
	ASC X12N 837 004010X097A1 Addendum	Health Care Claim: Dental
	ASC X12N 837 004010X096A1 Addendum	Health Care Claim: Institutional
Explanation of Payment/Remittance Advice	ASC X12N 835 004010X091A1 Addendum	Health Care Claim: Payment/Advice
Claim Status	ASC X12N 276/277 004010X093A1 Addendum	Health Care Claims Status Request and Response
Prior Authorization	ASC X12N 278 004010X094A1 Addendum	Health Care Services Review – Request for Review and Response

The ASC X12N IGs are available for download through the Washington Publishing Company Web site at <http://hipaa.wpc-edi.com>. Information on the *National Council for Prescription Drug Programs (NCPDP)* IGs is available through their Web site at <http://www.ncdp.org>. Developers should have copies of the respective IGs prior to beginning the development process.

ISDH has developed technical companion guides to assist application developers during the implementation process and are available for download at <http://www.in.gov/isdh/programs/cshcs> and then going to the Provider section or by contacting EDI Solutions in the Office of HIPAA Compliance at 317-233-9803 or 800-475-1355 (select option 6, and then option 1).

The information contained in the *ISDH Companion Guides* is only intended to supplement the adopted IGs and provide guidance and clarification as it applies to ISDH. The *ISDH Companion Guide* is never intended to modify, contradict, or reinterpret the rules established in the IGs.

The companion guide is categorized into four sections:

1. Introduction
2. Communication and Data Exchange Technical Specifications and Interchange Control Structure
3. Transaction Specifications
4. Acknowledgments

This section, *Introduction*, provides general implementation information as well as specific instructions that apply to all transactions. Section 2 identifies the methods of communication available and data exchange options and both inbound and outbound interchange control structures. Section 3 contains transaction specific documentation, including segment usage, to assist developers in coding each transaction. Finally, Section 4 lists the acknowledgment to be returned to the original sender.

Trading Partner Agreements, Trading Partner Profiles, and Testing

HIPAA regulations specifically define a “Trading Partner Agreement” as follows:

Trading partner agreement means an agreement related to the exchange of information in electronic transactions, whether the agreement is distinct or part of a larger agreement, between each party to the agreement. (For example, a trading partner agreement may specify, among other things, the duties and responsibilities of each party to the agreement in conducting a standard transaction.)[Part§ 160.103 Definitions]

A trading partner is an entity with whom an organization exchanges data electronically. The ISDH requires that anyone wishing to conduct electronic transactions complete a trading partner profile and, if applicable, a trading partner agreement. There are three levels of transaction testing required before an agreement is considered approved. These testing levels include the following:

- Compliance Testing
- ISDH Specification Validation Testing
- End-to-End Testing

To obtain copies of the ISDH Trading Partner Profile or the ISDH Trading Partner Agreement, please visit our web site at <http://www.in.gov/isdh/19617.htm> or contact the EDI Help Desk by telephone at 317-233-9803 or toll-free at 800-475-1355.

Any entity who would like to exchange data electronically with the ISDH must file a completed Trading Partner Profile and a Trading partner agreement with the ISDH. A software vendor or application development organization is not required to sign and submit a trading partner agreement but is required to complete a trading partner profile and participate in the established testing process.

Data Flow

ISDH requires that all transactions for electronically exchanging data must be submitted in batch mode. Section 2 provides communication specifications for data exchange.

For each functional group that ISDH receives, ISDH will return a 997 – *Functional Acknowledgment*. The 997 acknowledges the receipt of the file and reports any data compliance issues. ISDH expects to receive a 997 – *Functional Acknowledgment* from the trading partner for any functional groups that they receive from ISDH. For additional information about the use of the 997 transaction, refer to *Section 4: Acknowledgments*, of this companion guide.

A batch request or inquiry transaction, 270, results in the creation of the response transaction, 271. The ISDH posts the responses within a reasonable amount of time for the requestor to retrieve. Section 2 provides communication specifications for data exchange.

The 824 Application advice will be ISDH’s response to type 4 (inter-segment and situation testing) errors. ISDH will generate an 824 only in the event there are type 4 errors. The software used by ISDH is Mercator’s Healthcare Integration Package 3.1. Mercator's method for creating 824 application advice is to run data through a compliance map. The compliance map is defined to validate the EDI data against the complete HIPAA standard transaction set definition. If a transaction contains type 4 error(s), the entire transaction will be rejected.

Processing Assumptions

Some transactions are created and generated by, or on behalf of, a provider. Others are created by ISDH either in response to a request received from a provider or as a means to provide pertinent information to providers or managed care organizations. Several processing assumptions must be stated that could include inbound (to ISDH) transactions or outbound (from ISDH) transactions. The following list identifies each transaction by ISDH definition as inbound or outbound:

Table 1.2 – ISDH Transaction Definition

Inbound	Outbound
270	271 & 997
276	277 & 997
278	278 & 997
837	835 & 997
NCPDP Claim	835 & 997
NCPDP Eligibility Inquiry	NCPDP Eligibility Response
NCPDP Authorization Request	NCPDP Authorization Response

Basic Technical Information

The following list includes basic technical information for each transaction:

- The following delimiters are used for all outbound transactions:
 - * (Asterisk) = Data element separator
 - : (Colon) = Sub-element separator
 - ~ (Tilde) = Segment terminator
- See the *IG* for clarification on amount and quantity field formats.
- ISDH is referred to as ‘ISDH’ in applicable Submitter and Receiver segments.
- The *TA1 – Interchange Acknowledgment*, is generated when an interchange error occurs.
- The *997 – Functional Acknowledgment*, is generated in response to all inbound transactions received by ISDH from a trading partner.
- The *997 – Functional Acknowledgment*, is expected from the trading partner in response to all outbound transactions created by ISDH.

- Required data elements considered non-critical to ISDH processing that must be returned on outbound transactions are returned as they appear on the inbound transaction.
- If one item within a functional group is noncompliant, the entire transaction, ST-SE, is rejected.
- An 824 Application Advice will be generated for all type 4 errors.