



INDIANA HEALTH COVERAGE PROGRAMS

PROVIDER REFERENCE MODULE

Electronic Data Interchange

LIBRARY REFERENCE NUMBER: PROMOD00005
PUBLISHED: DEC. 14, 2021
POLICIES AND PROCEDURES AS OF JUNE 1, 2021
VERSION: 6.0

Revision History

Version	Date	Reason for Revisions	Completed By
1.0	Policies and procedures as of Oct. 1, 2015 Published: Feb. 25, 2016	New document	FSSA and HPE
1.1	Policies and procedures as of Sept. 1, 2016 (CoreMMIS updates as of Feb. 13, 2017) Published: Feb. 28, 2017	Scheduled update	FSSA and HPE
2.0	Policies and procedures as of Oct. 1, 2017 Published: Dec. 5, 2017	Scheduled update	FSSA and DXC
3.0	Policies and procedures as of April 1, 2018 Published: May 15, 2018	Scheduled update	FSSA and DXC
4.0	Policies and procedures as of March 1, 2019 Published: April 23, 2019	Scheduled update	FSSA and DXC
5.0	Policies and procedures as of April 1, 2020 Published: June 25, 2020	Scheduled update	FSSA and DXC
6.0	Policies and procedures as of June 1, 2021 Published: Dec. 14, 2021	Scheduled update: <ul style="list-style-type: none"> • Edited text as needed for clarity • Changed DXC references to Gainwell • Updated information about the location of implementation guides 	FSSA and Gainwell

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Electronic Data Interchange

Note: The trading partner process described in this module does not encompass transactions with the Indiana Health Coverage Programs (IHCP) fee-for-service (FFS) pharmacy benefit manager, OptumRx. Providers interested in becoming trading partners with OptumRx should contact OptumRx directly, using the contact information in the [IHCP Quick Reference Guide](#) at [in.gov/medicaid/providers](#). For information about submitting FFS pharmacy claims electronically, see the National Council for Prescription Drug Programs (NCPDP) D.0 Transaction Payer Sheet, available from the OptumRx website (accessible from the [Pharmacy Services](#) page at [in.gov/medicaid/providers](#)).

For updates to the information in this module, see [IHCP Banner Pages and Bulletins](#) at [in.gov/medicaid/providers](#).

Introduction

The *Health Insurance Portability and Accountability Act* (HIPAA) requires that all entities exchanging HIPAA transaction data electronically with the Indiana Health Coverage Programs (IHCP) establish an electronic data interchange (EDI) relationship. The IHCP refers to these entities as trading partners. For information on becoming an IHCP trading partner, see the [EDI Trading Partner Process](#) section of this module and the [EDI Solutions](#) page at [in.gov/medicaid/providers](#).

HIPAA Standards for Electronic Transactions

The HIPAA standards contain the following three major types of provisions:

- **Portability** – The portability provisions ensure available and renewable health coverage and remove the pre-existing condition clause, under defined guidelines, for individuals changing employers and health plans.
- **Medicaid Integrity Program/Fraud and Abuse** – The Medicaid Integrity Program (MIP) guarantees that the Centers for Medicare & Medicaid Services (CMS) has a funding source for integrity activities and expands its authority to hire antifraud contractors.
- **Administrative Simplification** – The Administrative Simplification provisions implement the following across the healthcare industry:
 - Transaction and Code Set Standards
 - Identifier Standards
 - Security Rule
 - Privacy Rule

The complete suite of [HIPAA Administrative Simplification Regulations](#) can be found on the Health and Human Services website at [hhs.gov](#).

The Administrative Simplification provision of HIPAA mandates that standard electronic transactions and code sets across the healthcare industry provide more efficient and effective service. This requirement calls for format and content standards, and it establishes security and privacy standards for healthcare information. The Transactions and Code Sets final rule and subsequent updates are published on the [Federal Register website](#) at [federalregister.gov](#).

The Administrative Simplification requirements apply to all covered entities, including the following:

- All health plans, including Medicare, Medicaid and commercial plans
- Providers that transmit or store health information electronically
- Healthcare clearinghouses, billing services and vendors

The Indiana Health Coverage Programs (IHCP), Indiana's Medicaid program, is compliant with the HIPAA Administrative Simplification provisions, including transaction and code set requirements. Additional information can be found on the [Health Insurance Portability and Accountability Act \(HIPAA\)](#) page at in.gov/medicaid/providers.

Note: A National Provider Identifier (NPI) is required for all healthcare providers that administer or perform healthcare services and transmit health information via a standard format. (Atypical providers such as waiver providers and most transportation providers are excluded from this requirement.) Providers can obtain an NPI from the National Plan and Provider Enumeration System (NPPES). The IHCP requires prospective healthcare providers that want to enroll in the IHCP to have obtained their NPI prior to submitting their application for IHCP enrollment. For more information about obtaining and reporting an NPI, see the [Provider Enrollment](#) module.

Implementation Guides

HIPAA specifically names several electronic standards that must be followed when certain healthcare information is exchanged. These standards are published as national electronic data interchange transaction set implementation guides, which are commonly called implementation guides. Most implementation guides include an addendum that must be followed to properly implement each transaction. Information about accessing the implementation guides is available on the [Washington Publishing Company website](#) at wpc-edi.com under Publications. Developers should obtain copies of the implementation guides prior to any process development.

IHCP Companion Guides

The IHCP has developed technical companion guides to assist application developers. Information contained in the IHCP companion guides is intended only to supplement the adopted implementation guides and provide guidance and clarification as the information applies to the IHCP. The IHCP companion guides are never intended to modify, contradict or reinterpret the rules established by the implementation guides.

All IHCP companion guides comply with the format and flow defined in the *Committee for Operating Rules for Information Exchange (CORE) v5010 Master Companion Guide Template*.

Companion guides are available from the [IHCP Companion Guides](#) page at in.gov/medicaid/providers.

Electronic Transactions and Connectivity Options

HIPAA legislation mandates that many of the major healthcare EDI transactions, such as electronic claims and Remittance Advices (RAs), be standardized into the same national format for all payers, providers and clearinghouses. All providers that submit governed data electronically are required to use the mandated HIPAA formats. The final rule defines the requirements and standards that must be implemented to comply with HIPAA regulations.

The IHCP has options available for providers to exchange data through EDI and HIPAA content-compliant direct data entry (DDE) electronic transactions.

IHCP connectivity interfaces support the most commonly used channels of communication, giving clients a variety of interfaces to develop robust interchange solutions. Batch and interactive submission options are available. File Transfer Protocol Secure (FTPS) and Secure File Transfer Protocol (SFTP) options are available using:

- Committee for Operating Rules for Information Exchange (CORE)-compliant web services – Used for batch and interactive 270/271, 276/277 and 835 transactions
- File Exchange – Used for batch transactions

The following table identifies connectivity options available for all transactions.

Table 1 – Connectivity Options for Electronic Transactions

Business Category	Transaction Name	Transaction Description	CORE Web Services	File Exchange
			Batch and Interactive	Batch
Eligibility Verification	ASC X12N 005010X279A1	270/271 Health Care Eligibility Benefit Inquiry and Response	X	X
Claim Status	ASC X12N 005010X212	276/277 Health Care Claim Status Request and Response	X	X
EDI Transaction Acknowledgement	ASC X12N 005010X228	277U Unsolicited Claim Status Response		X
Prior Authorization	ASC X12N 005010X217	278 Health Care Services Review – Request for Review and Response (Prior Authorization)		X
MCE [Managed Care Entity] Capitation Payment Listing	ASC X12N 005010X218	820 Payroll Deducted and Other Premium Payment (Managed Care Entities Capitation Payment)		X
MCE Member Enrollment Roster	ASC X12N 005010X220A1	834 Benefit Enrollment and Maintenance (Managed Care Entities)		X
Explanation of Payment/ Remittance Advice	ASC X12N 005010X221A1	835 Health Care Claim Payment/Advice (Remittance Advice)	X	X
Claims Processing	ASC X12N 005010X223A2	837I Health Care Claim Institutional		X
Claims Processing	ASC X12N 005010X222A1	837P Health Care Claim Professional		X
Claims Processing	ASC X12N 005010X224A2	837D Health Care Claim Dental		X
EDI Transaction Acknowledgement	ASC X12N 005010X231A1	999 Functional Acknowledgement for Health Care Insurance	X	X
EDI Transaction Acknowledgement	SC X12N 005010X231A1	TA1 Interchange Acknowledgement	X	X

Additional information regarding connectivity can be found in the [IHCP Connectivity Guide](#), available at in.gov/medicaid/providers.

Note: For questions about submitting transactions electronically, providers may contact the EDI technical assistance line at 800-457-4584, option 3 and then option 1. Questions can also be emailed to INXIXTradingPartner@gainwelltechnologies.com.

CORE Web Services

The IHCP supports CORE Phase II Version 2.2.0 connectivity rules. Trading partners can submit and receive interactive and batch 270/271 eligibility request and response transactions and 276/277 claim status inquiry request and response transactions and can request outbound 835 claim payment/advice (RA) transactions via the web service.

The following interfaces are supported:

- Council on Affordable Quality Healthcare (CAQH) CORE Phase II Simple Object Access Protocol (SOAP) + Web Services Description Language (WSDL) Interface
- CAQH CORE Phase II Multipurpose Internet Mail Extensions (MIME) Multipart Form Interface

File Exchange

File Exchange is an application provided by the IHCP for secure file processing, storage and transfer. It is designed to safely and securely collect, store, manage and distribute sensitive information between the IHCP and its trading partners.

HIPAA Transaction Types

The following sections describe HIPAA version 5010 transactions. IHCP companion guides for each transaction are available on the [IHCP Companion Guides](#) page at in.gov/medicaid/providers. The transaction component of each companion guide must be used in conjunction with the Accredited Standards Committee (ASC) X12N *HIPAA 5010 Implementation Guides*. Information about accessing the implementation guides is available on the [Washington Publishing Company website](#) at wpc-edi.com under Publications.

See [Table 1](#) for methods that can be used to exchange each of the following transactions.

270/271 Health Care Eligibility Benefit Inquiry and Response

The 270 Health Care Eligibility Benefit Inquiry transaction is used to inquire about the eligibility, coverage or benefits associated with the IHCP under a member's benefit plan.

The 271 Health Care Eligibility Benefit Response transaction is used to return information about the eligibility, coverage or benefits based on the 270 request.

See the [Member Eligibility and Benefit Coverage](#) module for more information regarding eligibility and benefits.

276/277 Health Care Claim Status Request and Response

The 276 Health Care Claim Status Request transaction is used to inquire on the status of a claim. Claim status information is available before the RA becomes available.

The 277 Health Care Claim Response transaction is used to return claim status information based on the 276 request.

277U Health Care Payer Unsolicited Claim Status Response

The 277U Unsolicited Claim Status Response is returned to trading partners and managed care entities (MCEs) to report claim denials as a result of insufficient billing provider information submitted on the 837 Health Care Claim transactions, such as invalid billing provider number or NPI/IHCP provider service location crosswalk failure.

One 277U transaction is returned per trading partner once daily, Monday through Friday, and is posted to the IHCP File Exchange server for the trading partner to retrieve and review. Clearinghouses and billing services that submit claims for multiple providers will receive one 277U transaction reporting error information for all providers and claims. It is the responsibility of the clearinghouse or billing service to forward the denied claim information to the providers, as these claims will not display on the provider's RA.

278 Health Care Services Review – Request for Review and Response (Prior Authorization)

The IHCP allows providers to submit nonpharmacy, fee-for-service prior authorization (PA) requests electronically. The 278 transaction is designed to help providers file requests for PA more efficiently.

See the [Prior Authorization](#) module for more information regarding PA and the 278 transaction.

Note: For services delivered under the managed care system, providers should follow the guidelines for each MCE regarding the PA process.

820 Payroll Deducted and Other Premium Payment (Managed Care Entities Capitation Payment)

This transaction applies to MCEs only. The HIPAA-compliant 820 transaction provides the monthly capitation payment information to the MCEs for the Healthy Indiana Plan (HIP), Hoosier Care Connect, Hoosier Healthwise and Program of All-Inclusive Care for the Elderly (PACE) programs. For the HIP program, this transaction also provides the Personal Wellness and Responsibility (POWER) Account payments, including the transfer of POWER Account dollars from one plan to another.

834 Benefit Enrollment and Maintenance (Managed Care Entities)

This transaction applies to MCEs only. Member enrollment data is transmitted electronically to the MCEs using the HIPAA-compliant 834 benefit enrollment and maintenance transaction.

835 Health Care Claim Payment/Advice

The 835 Health Care Claim Payment/Advice transaction is available to providers that request their RA information in an electronic format. The 835 transaction provides information about in-process claims, suspended claims and adjudicated claims that are paid, denied or adjusted. The 835 transaction also provides information about other processed financial transactions.

Providers interested in receiving the 835 transaction must establish an electronic Remittance Advice (ERA) account using the IHCP [Provider Healthcare Portal](#) (accessible from the home page at in.gov/medicaid/providers). From the *My Home* page, select **Provider Maintenance** and then select **ERA Changes**.

See the [Financial Transactions and Remittance Advice](#) module for more information regarding the RA and the 835 transaction.

837 Health Care Claim

The 837 Health Care Claim transactions allow providers to submit claims electronically to the IHCP. All institutional, professional and dental claims can be entered using the 837I, 837P and 837D transactions, respectively. These claims include inpatient, outpatient, home health, long-term care, dental and medical, as well as Medicare and Medicare Replacement Plan crossover claims. Claims can be submitted via the 837 transaction seven days a week, 24 hours a day.

See the [Claim Submission and Processing](#) module for more information regarding claim submission.

999 Functional Acknowledgement for Health Care Insurance

The 999 Functional Acknowledgement transaction acknowledges the receipt of the batch transaction and reports the acceptance or rejection of a functional group, transaction set or segment.

All 999 acknowledgments for transactions submitted through the CORE web services connection are available for retrieval through the CORE web services connection. All 999 acknowledgments for transactions submitted to File Exchange are available for retrieval from File Exchange and are posted to the Trading Partner's Home folder.

TA1 Interchange Acknowledgement

The TA1 Interchange Acknowledgement is a means of replying to an interchange or transmission that has been sent. The TA1 verifies the envelope only. A TA1 Interchange Acknowledgment is returned only in the event there are envelope errors. Encompassed in the TA1 are the interchange control number, interchange date and time, interchange acknowledgment code, and interchange note code.

All TA1 acknowledgments for transactions submitted through the CORE web services connection are available for retrieval through the CORE web services connection. All TA1 acknowledgments for transactions submitted to File Exchange are available for retrieval from File Exchange and are posted to the trading partner's Home folder.

EDI Trading Partner Process

HIPAA requires that all entities exchanging HIPAA transaction data electronically with the IHCP establish an EDI relationship. Entities with this EDI relationship are referred to as *trading partners*. The following are examples of IHCP trading partners:

- Providers using approved vendor software
- Clearinghouses
- Billing services
- MCEs
- Medicare intermediaries or carriers

Providers that exchange data with the IHCP exclusively using the following methods do **not** need to become IHCP trading partners:

- A clearinghouse that has been approved by the IHCP
- A billing service approved by the IHCP
- The IHCP Provider Healthcare Portal
- The Interactive Voice Response (IVR) system

IHCP trading partners that desire to exchange data directly with the IHCP must use an approved software or, if developing their own software, must follow the procedures described in [Software Testing and Approval Process](#) section to have their software approved. Gainwell Technologies works with many software vendors throughout the United States and has created a list of approved software vendors that provide HIPAA-compliant billing and software services to the IHCP provider community. There is no affiliation between Gainwell and any of these companies. It is the responsibility of the trading partner to select the vendor based on specific business needs. A list of approved software vendors is available on the [EDI Solutions](#) page at in.gov/medicaid/providers.

Software Testing and Approval Process

Vendors must review the X12N transaction HIPAA implementation guides and the IHCP companion guides carefully to assess the changes needed to their business and technical operations to meet the requirements of HIPAA. These guides are available as follows:

- Information about accessing the national X12N transaction HIPAA implementation guides is available on the [Washington Publishing Company website](#) at wpc-edi.com under Publications.
- The [IHCP Companion Guides](#) page at in.gov/medicaid/providers includes links to the current versions of the IHCP companion guides and information about upcoming changes to companion guides.

Entities seeking approval of their software products should follow the software testing process described in this section. The testing process may take several days or weeks, depending on the organization's experience with EDI.

Complete the Trading Partner Profile

To initiate the testing process, the IHCP requires each testing entity to complete and submit the IHCP Trading Partner Profile, accessible from the [EDI Solutions](#) page at in.gov/medicaid/providers. The IHCP Trading Partner Profile is the tool vendors must use to notify the IHCP about the types of transactions they request to test and the method of communication they will use. Software vendors, clearinghouses and providers requesting a trading partner ID to test their software should choose the Clearinghouse/Vendor profile.

When the IHCP receives the profile, testing information is sent to the vendor. Follow the instructions received in the testing information to ensure accuracy and completeness of testing.

Conduct Application Development

The vendor must modify its business application systems to comply with the IHCP companion guides. Accuracy of the vendor's software must be tested to ensure all transactions process correctly. The vendor must determine the modifications and additions its technical infrastructure needs to perform and support communication functions.

Test the Software

Two levels of data testing are required:

- Compliance testing
- IHCP specification validation testing

Additional testing information is available on the [Software Testing Procedures](#) page at in.gov/medicaid/providers.

Compliance Testing

All transactions must pass the following levels of compliance testing:

- Data integrity requirements
- Balancing
- Situational

Although third-party HIPAA certification is not required, the preceding levels of compliance are required and must be tested. Compliance is accomplished when the transaction is processed without errors and a 999 Functional Acknowledgement is produced.

IHCP Specification Validation Testing

Specification validation testing ensures conformity to the IHCP companion guides. This testing ensures that the segments or records that differ based on certain healthcare services are properly created and produced in the transaction data formats. Validation testing is unique to specific relationships between entities and includes testing of field lengths, output, security, load/capacity/volume and external code sets.

Software Approval

The testing and approval process for a software developer differs slightly from the approval process for a billing service, clearinghouse or MCE:

- **Software developer** – Entities whose clients will be submitting directly to the IHCP are not required to become IHCP trading partners. When testing and approval are complete, the IHCP sends written notification of approval to the software developer. On receipt of this approval, the software developer should submit a list of its IHCP clients and inform its clients that its software has been approved. The providers must then complete and submit the IHCP Trading Partner Profile and signed *IHCP Trading Partner Agreement*, as described in the [Production Trading Partner Enrollment Process](#) section of this module. On receipt of these items, the IHCP sends each provider a trading partner ID, logon information and secure file transfer protocol (FTP) information.
- **Billing service, clearinghouse or MCE** – When testing and approval are complete, the IHCP sends email notification of approval to the billing service, clearinghouse or MCE. These entities must then complete and submit the IHCP Trading Partner Profile and signed *IHCP Trading Partner Agreement*, as described in the [Production Trading Partner Enrollment Process](#) section of this module. On receipt of these items, the IHCP sends each entity a trading partner ID, logon information and secure FTP information for production transactions.

Production Trading Partner Enrollment Process

Entities that directly exchange data electronically with the IHCP must complete a Trading Partner Profile and an *IHCP Trading Partner Agreement* as described in the following sections.

Upon receipt of the IHCP Trading Partner Profile and the signed *IHCP Trading Partner Agreement*, the entity will be evaluated for exchanging production data. The trading partner will receive email notification of approval, which will include logon credentials.

Complete a Trading Partner Profile

Entities wishing to exchange production data directly with the IHCP must complete and submit the IHCP Trading Partner Profile, accessible from the [EDI Solutions](#) page at in.gov/medicaid/providers, to initiate the process for becoming a trading partner.

The IHCP Trading Partner Profile is the tool entities must use to notify the IHCP about the types of transactions they request to exchange and the software they will use. If the software has not already been approved by the IHCP, the entity must follow the process described in the [Software Testing and Approval Process](#) section of this module. Production credentials will not be assigned until the software for the transaction type has been tested and approved.

After the initial trading partner ID setup, established trading partners use the IHCP Trading Partner Profile to inform the IHCP of any changes to their vendor software or contact information.

Complete a Trading Partner Agreement

To comply with HIPAA standards and regulations, as well as with the Privacy Rule regulations, all entities that desire to exchange electronic data with the IHCP must submit the [IHCP Trading Partner Agreement](#), available at in.gov/medicaid/providers. No substitutions or alterations to the agreement are permitted. The *IHCP Trading Partner Agreement* is a contract between parties that have chosen to become electronic business partners. The *IHCP Trading Partner Agreement* stipulates the general terms and conditions under which the partners agree to exchange information electronically.

If entities initially exchange multiple transaction types electronically, only one signed *IHCP Trading Partner Agreement* is required. A new *IHCP Trading Partner Agreement* is required when requesting to add additional transaction types at a later date.

The term of the *IHCP Trading Partner Agreement* is for four years from the date the agreement is signed, and the agreement may be renewed in four-year increments thereafter, unless terminated by the trading partner or the Indiana Family and Social Services Administration (FSSA).

Providers must complete and sign (electronic signatures are acceptable) the *IHCP Trading Partner Agreement* and send it to Gainwell in any of the following ways:

- Email to INXIXTradingPartner@gainwelltechnologies.com
- Fax to 317-488-5185
- Mail to the following address:

**Gainwell EDI Solutions
Trading Partner Agreement
950 N. Meridian St., Suite 1150
Indianapolis, IN 46204**