

Aetna Mandates Electronic Claims Submission

FIRST MAJOR CARRIER TO EFFECTIVELY MANDATE HIPAA COMPLIANCE

Editorial Staff

As expected, the health insurance industry is moving toward electronic claims processing to meet the Oct. 16, 2003 extended deadline required by federal HIPAA laws. The original deadline was Oct. 16, 2002, but virtually every health insurance company filed for the one-year extension.

What surprises many industry observers is that rather than make claims processing optional over a period of time, Aetna has announced to its providers: "Effective September 15, 2003, you will be required to send all Aetna claims electronically"[emphasis added]. The announcement came in a June 4, 2003 letter sent to providers by Aetna's Regional e.Health Manager. To process their claims electronically, providers will need to use the new HIPAA X12N Standards.

Noted HIPAA expert Howard Ross offered the following observations:

"This is not what we expected. By being the first major company to insist on electronic claims processing as the sole form of filing for reimbursement, they have set a precedent that the majority of health insurance organizations are sure to follow.

"This effectively puts every Aetna health-care provider on notice that they will be required to be HIPAA compliant by the September 15 deadline. And even though they didn't make it plain in their letter, it will not be too long before providers will be required to certify in writing that they are HIPAA compliant in order to receive reimbursement for their services.

"The only real question left to be answered is to what extent doctors will be required to demonstrate their HIPAA compliancy. Should panel administrators choose to, they could easily begin auditing chiropractic practices to determine the level of HIPAA compliancy. Should they take this course of action, there are some real concerns as to whether third-party payers will accept makeshift or 'boilerplate' HIPAA compliance forms and manuals.

Aetna's September 15 date is actually more than a month ahead of the Oct. 16 extended deadline for HIPAA transaction-standards and code-set compliance. While this gives Aetna more time to meet its HIPAA deadline, it gives Aetna providers even less time to become HIPAA compliant than they may have expected. Other companies also may decide to follow Aetna's lead and reduce the time available to their providers.

It is estimated that less than 10 percent of DCs have actually taken the time to create their own "formal documented procedures" (HIPAA manuals) that cover all of the "core elements" required by the HIPAA laws. Mr. Ross explains:

"Many DCs think that if they start using some new forms or receive a notice of compliancy from their software provider, that their office is 'HIPAA compliant.' This just isn't the case.

"The HIPAA laws are very clear [in specifying] that each office needs its own 'formal documented procedures,' which is effectively their own HIPAA manuals. These procedures must be specific to that office and cover all of the almost 200 core elements required as they apply to what the doctor and their staff actually do in their practice.

"We are going to see more announcements by the health care companies that will require HIPAA compliance. There is no question that the health-care industry will conform to the federal HIPAA laws, and require their providers to do the same.

"There are several misconceptions that are still being propagated by those who don't fully understand the HIPAA laws. Many DCs have been misled to believe that if they have less than 10 employees, they need not become HIPAA compliant. This criterion is actually part of the transactions regulation that allows a doctor to apply to Medicare to avoid electronic billing of Medicare claims only [emphasis his]. The 10-employee criterion has no application to what Aetna and other third-party payers will require under HIPAA.

"The other misconception that some DCs hold is that they need not become HIPAA compliant if they are not doing any electronic billing. While this criterion applies to transaction standards and code-sets, it does not apply to the HIPAA security and privacy standards now afforded as patient rights under federal law.

"Even so, as has become obvious by the Aetna announcement [that] if you aren't HIPAA compliant, you won't be able to legally file your reimbursement claim. If you can't file your claim, you can't get paid."

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