



**Blue Cross Blue Shield of Michigan
Welcome
HIPAA Readiness**

Waterfront Inn – Traverse City
August 4, 2004

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What We Have Done To Lead the Charge



Retirement Legacy Formats

- **Effective November 1, 2004 the following legacy inbound electronic formats will be retired:**
 - **UBPC (Uniform Billing of Professional Claims)**
 - **NSF- (National Standard Format v3.0, v3.01 & NSF All Lines of Business)**
 - **UB92 All Versions (v4.0, v4.1, v5.0 & v6.0)**

Letter announcing retirement mailed to Vendors, Clearinghouses, Billing Services & Submitters on July 6, 2004

□ Remittance

- **Effective January 1, 2005 the HIPAA 835 remittance advice (ERA) will be the only electronic format available for receiving payment/remittance data**
- **Currently BCBSM EDI is providing parallel proprietary format files for most BCBSM business (excluding Facets)**

- Several other Blues plans have already stopped old formats with minimal impact
- Medicare mandatory 27 day payment floor for old formats effective 7/1
- Medicaid (MDHC) aligned with BCBSM, announced November 1, 2004 retirement date for their proprietary formats
- Increased pressure from vendors / service bureaus
- Other clearinghouse partners going to stop old formats

997—Functional Acknowledgement

- Created for each interchange transmitted

- 997 is ANSI Transaction, not a report.
 - Will indicate if the transaction received was accepted or rejected by BCBSM EDI
 - When a transaction is rejected, all claims included in the transaction will not be processed. The entire transaction must be corrected and resubmitted.

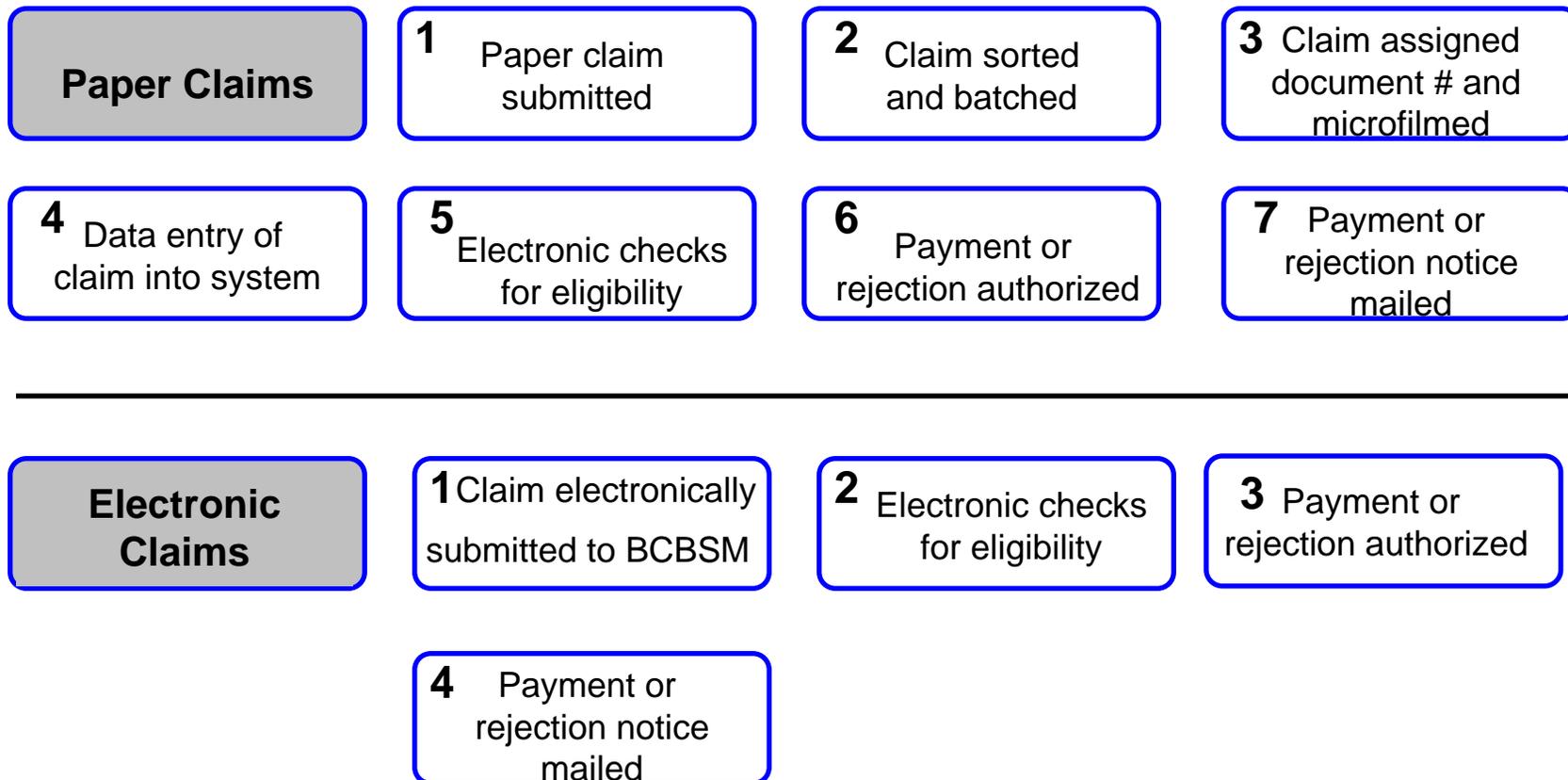
- AK5*A~** Transaction has been **accepted**

- AK5*R~** Transaction has been **rejected**

Acceptable e-claims

- Blue Cross/BCN (facility)
 - Supplemental
 - Blue Card (ITS)
- Blue Shield (professional)
 - Status Inquiry
 - Coordination of Benefits
 - Supplemental
 - Blue Card (ITS)
- BCN (professional)
 - Primary only
- Federal Employee Program (FEP)
 - Supplemental
- Medicare A (UGS) and B (WPS)
 - Secondary
- Medicare DMERC (AdminaStar)
 - Secondary
- Medicaid (MDCH) (professional and facility)
 - Supplemental
 - Secondary
 - Tertiary
- Commercial (professional)
 - Primary only

Claims Processing Flow



- The BCBSM Clearinghouse performs front end edits on claims it receives as a clearinghouse and in its role as a destination payer (health plan).**
- Submitters can chose to receive either the U277 transaction, the U277 formatted report, or both.**
- Edits are performed for medical code sets, some compliance errors and some payer-specific editing conditions.**
- Claims that receive edits will not be forwarded to payers for further processing, therefore, it is important that submitters receive the U277 transaction or report.**

Linking the unsolicited 277 (U277) to the EDI interchange you submitted

- The U277 report echoes EDI submitter ID and BCBSM assigned billing provider name and ID, and run date from the inbound claim submission.
- The specific claim is identified by the subscriber ID, charge amount, patient account number, subscriber and patient names.
- The rejection is explained using the following information
 - Claim status code
 - Claim status category code
 - Entity identifier code, when applicable
 - A textual description of the rejection (available in report format only).

The report is broken down into three sections:

- Section 1: Information submitted on originating inbound claim transaction.**
- Section 2: Claim status category code, claim status code, entity identifier and description of error and data receiving error.**
- Section 3: Submitter summary information and grand totals by source of pay for each claim status being returned.**

The U277 report gives totals by error code. Note that a single claim may be counted in the U277 more than once if more than one error was identified.

U277 Report Names on EDDI Platform

Report Name	Report Description
U277H	HIPAA Professional
U277I	HIPAA Institutional
U277D	HIPAA Dental
U277L	Legacy Professional
U277C	Commercial
U277U	HIPAA UB92-H6A
U277N	HIPAA NSF-H
U277F	Blue Care Network (FACETS)

The U277 transaction name is 277P

These transactions are followed by the Julian date for the date the file was created, and then, **.A, .B,** etc. depending on how many files per day were created.

For example, if you received a U277 file on January 1, it would be named U277001.A.

Note: The Unsolicited 277 transaction file names remain 277P (production) and 277T (test)

835 Distribution Cycles

- BCBSM Professional – Saturday
- BCBSM Institutional – Friday
- NASCO – Daily and Weekly (Saturday)
- STAR – Sunday
- FACETS – Monday
- MESSA – Saturday
- Master Medical – Friday
- BCBSM Dental – Friday
- BCBSM Pharmacy – Wednesday

Note: Distribution normally occurs after 8:00 pm on the day noted above.

U277/835 Set-up Process

- Submitters must notify BCBSM EDI (via an EDI Information Sheet) which outbound transactions (835, U277) and/or reports (U277) they wish to receive.
- An EDI Information Sheet should be completed by either the submitter (if they perform their own technical support) or their software vendor.
- Questions regarding this set-up process should be directed to the EDI Help Desk at (248) 486-2292 (Option 1).

- Daily production claim receipt cut-off has been changed to 10 a.m.

- EDI User Guide & Companion Documents may be found at: www.bcbsm.com

- EDI HIPAA Approved Vendor List can be viewed and downloaded at: www.bcbsm.com

□ Environment has stabilized and major migration efforts are completed

- **Line of Business** **Migrated** **Remaining**

Facility	98%	2%
Professional	80%	20%

- **Average Front-End Reject Rates are within acceptable ranges**

EDI Professional Edits	9% <i>(Professional 3% higher than pre-HIPAA, e.g. Medical Code Set Editing & TPA)</i>
EDI Facility Edits	2%
EDI FEP Edits	2%

- **EMC Rate To Date** **88%** *(No recognizable loss of EMC rated during conversion)*

Trading Partner Agreement (TPA) status

Partner Type	Completed	Remaining	% Complete
Providers	13,235	1,315	91%
Submitters	5,499	407	93%

