

MDS Alert

MDS & BILLING NEWS TO USE

CMS plans to give SNFs and other providers a little incentive to speed up their transition to HIPAA-compliant claims. SNFs that don't submit electronic claims in compliance with the **Health Information Portability and Accountability Act** by July 6 can expect to wait a couple of weeks longer to get paid. That's according to a recent program transmittal (change request 2981) from the **Centers for Medicare & Medicaid Services**, with an effective date of July 1 and an implementation date of July 6. The transmittal says claims submitted in pre-HIPAA format won't be paid earlier than the twenty-seventh day after the date of receipt (26-day waiting period). Currently, Medicare pays electronic media claims no earlier than the fourteenth day after the date of receipt (13-day waiting period), according to CMS.

The volume of Medicare electronic claims received in correct HIPAA format is on the rise, according to CMS.

Plan to say goodbye in 2005 to the grace period for using discontinued HCPCS codes. Effective Jan. 1, 2005, SNFs and other Medicare providers will no longer have a 90-day grace period (Jan. 1 through March 31) to use discontinued HCPCS codes for services provided in the first quarter of the new year. SNFs that use the discontinued codes during that time period will have their claims returned unpaid. The SNF will then have to correct and resubmit the claims.

Wondering why CMS is doing away with the grace period? Blame HIPAA. The Transaction and Code Set Rule requires health care providers to use the medical code set that is valid at the time that the service is provided.

For more information on HIPAA and its impact on claims submission, visit the CMS HIPAA Web site at www.cms.hhs.gov/hipaa/hipaa2/default.asp.