

Health Information Compliance Alert

Transactions CMS FINALIZES TCS MODIFICATIONS

Fresh off its much-anticipated release of the security rule standards, the Department of Health and Human Services is steaming ahead with final modifications to the HIPAA transaction standards, the rule that defines uniform, mandatory technical specs for electronic health care transactions.

The White House's Office of Management and Budget completed its review of the Modification to the Transactions and Code Sets Final Rule Feb. 10, and the final version of the regulation was published Feb. 20 in the Federal Register.

The modifications provide some "breathing room" for some small providers that did not submit compliance plans to HHS so that they could receive a one-year extension of the transactions rule compliance date to Oct. 16, 2003, says Jarrell Williamson with the Washington office of Reed Smith.

Williamson says some health plans say they won't accept non-standard transactions from those providers "because, technically, those providers are under a current obligation to submit standard transactions," he adds.

Williamson explains that the TCS modifications have created some leeway for these providers. That's because HHS has taken the position that if the health plan has obtained a compliance extension or is a small health plan, a provider that has not received an extension is not required to conduct transactions with that health plan in standard form until Oct. 16, 2003.

Williamson says that in situations where a CE is neither a small health plan nor under a compliance extension, HHS has indicated that it won't aggressively seek to penalize non-compliance with standards because of its own delay in issuing modifications. Rather, he tells Eli HHS intends to "work with providers to bring them into compliance through mechanisms such as corrective action plans."

The rule also adopts modified standards for two transactions not included in the proposed rules: premium payments and coordination of benefits.

To read the rule in its entirety, go to <http://www.cms.hhs.gov/regulations/hipaa/cms0003-5/0003ofr2-10.pdf>.