

State Agency – Project Status Report



Reporting Period Ending on December 31, 2014

**Alabama Medicaid Agency
501 Dexter Avenue
Montgomery, Alabama 36104**

**HP Enterprise Services
301 Technacenter Drive
Montgomery, Alabama 36117**

Document Information Page

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Author:	John Evans
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	0.1	08/30/2013	John Evans	Initial Version.

Projects Status

The projects depicted below represent changes that potentially impact State Agencies:

1. **Project/Change Order:** Affordable Care Act (ACA) Operating Rules – Phase III

2.1 Overview: Phase III Operating Rules apply to Claim Payment/Advice (835) transactions, Electronic Funds Transfer (EFT), and Electronic Remittance Advice (ERA) data. Phase III continues to build on the Phase I and II rules. Phase III is made up of the following rules:

Rule 350 – 835 Retrieval

Enhances Phase II by adding an additional transaction for 835 data file retrieval and addresses dual delivery of 835 and Proprietary Paper Claim Remittance Advices.

An additional requirement added by the Agency will require 835s (Electronic Remittance Advice – ERA) to be generated for every provider. Therefore, every provider, or their designated representative, will need to register for a trading partner ID so that ERAs can be produced and distributed appropriately.

Rule 360 - Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC)

Dictates the combination of codes that can be used for certain business scenarios. Working with their members and other large healthcare systems, CAQH CORE defined four common business scenarios that impact claim payment and processing. For each of these scenarios, CAQH CORE defined specific code combinations that **MUST** be used by Healthcare Systems on the v5010 X12 835 electronic RA. Business scenarios that are encountered beyond these four are left to the discretion of the Healthcare System to determine the code combination to use.

Rule 370 – EFT and ERA Re-association Rule (CCD+/835)

Standardizes the Re-association Data by specifying the location where the data should be stored in both the CCD+ EFT transaction and the 835 ERA transaction. Specifically, Re-association Data is to be placed in the:

- Addenda Record for the CCD+ transaction
- BPR and TRN Segments of the 835 Transaction

Rule 370 additionally specifies:

- The maximum allowed lag time between receipt of an ERA and its corresponding EFT
- Requirements for elapsed time auditing
- Requirements for resolving late or missing EFTs and/or ERAs

Rule 380-382 - ERA/EFT Enrollment

- Rule specifies the maximum data that may be collected to enroll a provider or trading partner for receiving an Electronic RA (ERA/835) or payments via EFT
- Only data elements specified by the rule may be collected.
- The rule specifies the names of the all data elements. These names must be used exactly on paper or electronic enrollment forms.
- The data elements must be presented in a specific order on paper or electronic forms.
- The rules specify which data elements are mandatory and which are optional.
- Related data elements are put into Data Element Groups. The groups must also be presented in a specific order and may be either mandatory or optional.
- The data elements and data element groups are similar, but not identical, for the two rules.

2.2 Current Status: All Phase 2 design deliverables have been approved. Construction is completed or in progress on all rules. Based on approved design for Rules 380/382, construction efforts have been re-estimated and are slightly below original estimates, but delay of design completion has impacted the project timelines. As a result, model office implementation will occur in three different stages: First stage is early January 2015 for Rules 350 and 370; Second stage is late January for Rule 360; and Third stage is currently estimated to occur in February for Rules 380/382. The implementation plan and test plan for Rules 350 and 370 have been reviewed with the Agency.

A process audit was conducted on the Risk Management Plan during December, with no findings noted. Mappings of production EOBs (explanation of benefits) to CAQH CORE approved Business Scenario / CARC (claim adjustment reason code) / RARC (remittance advice remark code) / CAGC (claim adjustment group code) code combinations have been completed, reviewed and approved.

The second round of major external communications has been completed, primarily through January Provider Insider and Medicaid Website updates. The second VAN communication was distributed to those who have not yet started processing transactions through Safe Harbor – with end of year deadline quickly approaching. As of mid-December, nine VANs have moved to Production Safe Harbor.

Phase I/II certification testing has been completed and was submitted to CAQH CORE on September 24 for their 30-day review. Certification completion is outstanding as HPES continues to communicate with, and answer questions from, CAQH CORE.

2.3 Potential Impact: During the Agency kickoff meeting HP reviewed the requirements and solutions for all Rules with the Agency PMO and FPOs. Initial external entity and operational impacts have been assessed and are documented in the proposal and designs. As new impacts come to light throughout the construction and testing process, they will be documented, communicated, and included in the project implementation plans. Project risks are being identified, assessed, and documented. HP will work closely with impacted areas to mitigate the project risks.

As mentioned above (Section 2.2), implementation to model office will occur in three stages – with Rules 350 and 370 being implemented early January 2015. Additional rules will be implemented to model office as they are ready – mitigating the risk to the overall project schedule.

2.4 Anticipated Implementation Date: Utilizing the staged approach for Model Office implementation, UAT and Vendor testing will occur mid-June – mid-August 2015 (original target dates were April – May 2015), with final implementation occurring end of August 2014 (original target date was mid-June 2015). Two months of post-implementation support will follow – to be concluded mid-November 2015 (original target date was mid-August 2015). Phase III certification testing will begin after integrated system testing and before the end of User Acceptance / Vendor testing.



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