

State Agency – Project Status Report



Reporting Period Ending on March 31, 2015

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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.

- **Current Status:** System testing of Rules 350 and 370 has been completed. Construction on the final rules, Rules 380/382, has been completed and approved. A Lessons Learned meeting on construction was held with HPES and the Agency. Rules 380/382 were implemented to Model Office 3/11/2015. System testing on Rules 360 and 380/382 is in progress.

As of the end of March all but 2 VANs have moved to Safe Harbor for 270/271 (eligibility) and 276/277 (claims status) transaction processing. The remaining 2 VANS are currently conducting setup and testing in the UAT environment. Safe Harbor construction for Phase III completed in March. One Safe Harbor component, to handle archiving, still remains.

Communication: April Provider Insider articles included information for all Phase III rules. We continue to communicate required provider actions to enroll for ERA and to contact banks for EFT/ERA reassociation information. We are tracking provider progress towards ERA enrollments – with over 3,800 remaining. Though not yet communicated with the provider community, remaining providers will be automatically enrolled for ERA when Phase III implements mid-July.

A meeting was held with HPES Operations leads to discuss staffing for pre- and post- implementation support. Additional information will be forthcoming.

2.2 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 and status reports. Project risks are being identified, assessed, and documented. HP will work closely with impacted areas to mitigate the project risks.

Model office implementations are occurring in three stages – mitigating the risk to the overall project schedule as a result of late approvals on Rules 380/382 design and additional work required for Rule 360. As of mid-March all rules have been implemented into Model office.

2.3 Anticipated Implementation Date: Utilizing the staged approach for Model Office implementation, UAT and Vendor testing will occur mid-May – mid-July 2015, with final implementation occurring mid-July 2015. Two months of post-implementation support will follow – to be concluded mid-September 2015.

Phase III certification testing will begin after integrated system testing and before the end of User Acceptance / Vendor testing. Certification is anticipated September 2015.

During the 2-month period of UAT/Vendor test, HPES plans to prepare and deliver training to internal staff, Operations staff, and the Agency regarding changes occurring for ACA Phase III. Training items will be pulled from the Implementation Plan 'Training' worksheet. An extensive overview of the enhanced Provider Enrollment Portal is planned to help Provider Enrollment better serve the provider community. Training will take place in the User Acceptance Test environment which will serve as another full testing opportunity prior to production implementation.



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