



C A L I F O R N I A D E P A R T M E N T O F

Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

October 16, 2003

DMH INFORMATION NOTICE NO.: 03-10

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: NEW CLAIM SUBMISSION PROCEDURES AND THE
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
(HIPAA) TESTING AND CERTIFICATION PROCEDURE
FOR THE SHORT-DOYLE/MEDI-CAL (SD/MC) SYSTEM

Purpose

The purpose of this information notice is to provide information regarding changes to the Department of Mental Health (DMH) Short-Doyle/Medi-Cal (SD/MC) claim submission procedures including implementation of the HIPAA claim testing and certification procedure. **These changes will impact all local mental health programs currently submitting SD/MC claims.**

Background

The changes introduced in this notice are part of the DMH efforts to achieve HIPAA compliance by October 16, 2003. Please refer to DMH Information Notice No. 03-09 for additional detail regarding the implementation of HIPAA transaction and code sets (TCS). To reiterate from that information notice, it is important to note that the existing proprietary claim file formats and codes will continue to be accepted from counties unable to meet the HIPAA implementation deadline. This accommodation will ensure the continuation of Medi-Cal reimbursements for mental health services.

New SD/MC Claim File Submission Requirements

Beginning October 27, 2003, local mental health programs must submit SD/MC claims according to the SD/MC Claim File Submission Requirements and the SD/MC System Claims Submission Cutoff Dates for 2003 (enclosed). Local mental health programs will continue to use the DMH Information Technology Web Services (ITWS) site to transmit claims and receive the Explanation of Balances (EOB) files. Please refer to the SD/MC HIPAA Phase I Remediation Claims Processing Flow Diagram for an overview of the claims processing system (enclosed).



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www.dmh.cahwnet.gov

Beginning October 27, 2003, all proprietary (157 character) claim file names must conform to a new file name convention for consistency with the new HIPAA claim files. The file name convention is described in the SD/MC Claim File Submission Requirements enclosure. Also shown are the required HIPAA claim file name formats for DMH and the Department of Alcohol and Drug Programs (ADP). DMH is working in partnership with ADP to facilitate submission of ADP HIPAA Drug Medi-Cal claims using the ITWS. Please refer to a similar information notice from ADP for more information on their new HIPAA claim submission process. The Drug Medi-Cal proprietary claim format submission process remains the same and will not use the ITWS.

To assist local mental health programs at various stages of HIPAA TCS compliance, DMH will continue to accept proprietary format claim files after the October 16, 2003 compliance due date. Proprietary claim files must continue to use the proprietary code sets. Similarly, HIPAA claim files must only contain valid HIPAA codes as described in the technical guides referenced in the DMH Information Notice No. 03-09. HIPAA claim files may contain claims for dates of service before October 16, 2003 but no earlier than April 1, 2003. Claims for dates of service before April 1, 2003 must be submitted in proprietary format because the Centers for Medicare and Medicaid Services (CMS) procedure code effective dates for several codes used by DMH and ADP was April 1, 2003. Finally, as with the proprietary files, claim service dates in a HIPAA claim file may not cross fiscal years.

HIPAA Claim Testing and Certification Procedure

DMH has established a testing and certification procedure for local mental health programs to follow in order to begin SD/MC HIPAA production claim processing. Please refer to the DMH SD/MC HIPAA Phase I County/Vendor Testing and Certification Procedure for detailed testing procedure (enclosed). The goal of the certification procedure is to maximize cash flow back to the local mental health programs by reducing claim errors. After completion of the testing and certification DMH will send an email to the local test contact, and a follow-up letter will be sent to the local Mental Health Director. This certification allows the local mental health program to begin submitting production claims in HIPAA format.

Translator Certification

The local mental health program must begin testing by submitting a HIPAA test file similar in the number of claims and total dollar amount to their average production claim file. The translator certification requirement is that at least 80% of the claim file total billed amount is successfully validated and translated. Meeting this requirement is a two-step process. The first step confirms that the claim submitted is in HIPAA compliant format and data content and is successfully translated from HIPAA format to proprietary format. After passing step one, the local test claim will be submitted to the SD/MC system for processing, and the resulting EOB and 835 will be returned to the ITWS.

SD/MC HIPAA TCS Certification (Acceptance)

The local mental health program should review the test EOB and 835 files from the ITWS to confirm the adjudicated test HIPAA claim meets their expectations. The local mental health program must send an email confirmation of test file acceptance and readiness for production claim file submission to the DMH representative (see enclosure). The

certification procedure will not be completed until DMH receives this confirmation from the local mental health program.

Please forward copies of this information notice to your local HIPAA Coordinator and your SD/MC Program and Information Technology staff. DMH staff are available to assist local mental health programs with their transition from the current SD/MC claiming system to the new HIPAA compliant SD/MC claiming system. This includes support to understand the technical guides and resolving technical issues regarding HIPAA compliant claim submission and testing procedures.

Your local program's state contact information is available from the DMH website at <http://www.dmh.ca.gov/hipaa/tcs.asp>. For questions about this Information Notice, please contact Gary Renslo at (916) 653-3882 or GRenslo@dmhhq.state.ca.us.

Sincerely,

(Original signed by)

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures:

- DMH SD/MC Claim File Submission Requirements
- DMH SD/MC Claim Submission Cutoff Dates for 2003
- SD/MC HIPAA Phase I Remediation Claims Processing Flow Diagram
- DMH SD/MC HIPAA Phase I County/Vendor Testing and Certification Procedure