



**BlueCross BlueShield
of Tennessee**

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Important Update on Health Insurance Portability and Accountability Act (HIPAA) Readiness

As of January 1, 2005

BlueCross BlueShield of Tennessee has met all required HIPAA implementation dates for Privacy, Standard Transactions and Code Sets, and Employer Identifiers.

We applied for an extension in August 2002, as permitted by the Administrative Simplification Compliance Act (ASCA), to allow adequate time for all electronic submitters to migrate to the new formats. With this ASCA extension, all transactions and code sets accepted by BlueCross BlueShield of Tennessee were to be HIPAA-compliant by October 16, 2003. The Centers for Medicare and Medicaid Services (CMS) has permitted payers to implement a contingency plan which allows us to process non-compliant formats for an extended period to assist submitters who are actively testing to become compliant. Testing procedures and testing initiation documents can be found at www.bcbst.com/providers/docs/ecommm/tech_info.shtm.

All privacy requirements were implemented by April 14, 2003. Privacy Policies and Procedures are finalized and employee training has been completed. We purchased and have implemented a disclosure tracking system called FastTrack, which allows us to be compliant with our member rights obligations.

Rules for standard Identifiers have been proposed for Providers, Payers, Employers, and Individuals. Rules for the Payer Identifier are pending. The Individual Identifier was rescinded. The Final Rule has been issued for Employer Identifiers and National Provider Identifiers (NPI). We have completed the requirements for Employer Identifiers and efforts are underway to complete NPI requirements by May 23, 2007.

The Final Rules for Security under HIPAA were published in the Federal Register on February 20, 2003. Implementation will be required by April 21, 2005. Work is underway to meet these security requirements.

BlueCross BlueShield of Tennessee will not require changes to enrollment and payment procedures for employers but will be prepared to accept ANSI-834 for Enrollment and ANSI-820 for payment if you choose to use these transactions.