

Introduction

In 1991, the Secretary of the Department of Health and Human Services organized a forum to discuss the challenges of reducing administrative costs within the health care industry. Supporters of Electronic Data Interchange (EDI) projected cost savings totaling \$42 billion over six years by replacing paper-based transactions with standard electronic transactions. After several years of discussions and campaigns among the leaders within EDI, President Clinton signed the Health Insurance Portability and Accountability Act (HIPAA) into law on August 21, 1996.

With a strong commitment from the U.S. Department of Health and Human Services, the Standard Transactions and Code Sets final rule for the Administrative Simplification provision of HIPAA was published on August 17, 2000. This rule specifies the following nine standard health care transactions to allow all health care providers, clearinghouses and health plans to quickly and accurately exchange appropriate information.

- 835 Health Care Claim Payment/Advice
- 837 Health Care Claim—Institutional
- 837 Health Care Claim—Dental
- 837 Health Care Claim—Professional
- 270/271 Health Care Eligibility Benefit Inquiry and Response
- 276/277 Health Care Claim Status Request and Response
- 278 Health Care Service Review—Request for Review and Response
- 834 Benefit Enrollment and Maintenance
- 820 Payroll Deducted and Other Group Premium Payment for Insurance Products

When electronically exchanging information related to any of the transactions above, health plans (payers) and providers must use the appropriate ANSI ASC X12N standard.