

Getting Started

BlueChoice HealthPlan Medicaid is a strong proponent of EDI transactions because they will significantly reduce administrative and operating costs, gain efficiency in processing time and improve data quality. Under HIPAA, as EDI transactions gradually replace paper-based transactions, the risk of losing documents, encountering delays, and paper chasing is minimized. Trading Partners will benefit immensely by using EDI.

EDI Methodology

Trading Partners must manage their own unique set of marketplace requirements, operational needs, and systems capabilities. Two basic methods are available to generate EDI transactions:

- Direct Submission by Provider
- Submission by Clearinghouse or Billing Service

Direct Submission by Provider

Under the direct submission approach, the Trading Partner is the Provider. The Provider's internal programming staff or systems vendor modifies the computer system to meet the format and quality requirements of the ASC X12N HIPAA Implementation Guides and BlueChoice HealthPlan Medicaid. The responsibility of operating the computer, modem, communications software, and data compression software also lies with the staff or vendor.

To ensure that all guidelines are met, thorough testing must be completed even with a program purchased from an approved systems vendor. (Refer to **Chapter III, Testing Process.**)

Submission by Clearinghouse or Billing Service

Under the submission by Clearinghouse or Billing Service approach, the Clearinghouse or Billing Service is the Trading Partner. Services are paid by the Provider for the EDI preparation, submission, and/or practice management. The business relationship between the Trading Partner and Provider is held strictly between the two parties. Typically, the Clearinghouse will help you configure the necessary computer equipment or billing software.

The Clearinghouse or Billing Service must undergo testing, approval, and production procedures before submitting EDI transactions to BlueChoice HealthPlan Medicaid. (Refer to **Chapter III, Testing Process.**)

Your Choice

Having read the two types of EDI Methodology available, select the one that best fits your business – to submit directly or retain services from a Clearinghouse or Billing Service.

If you need further assistance in making this decision, consider the following:

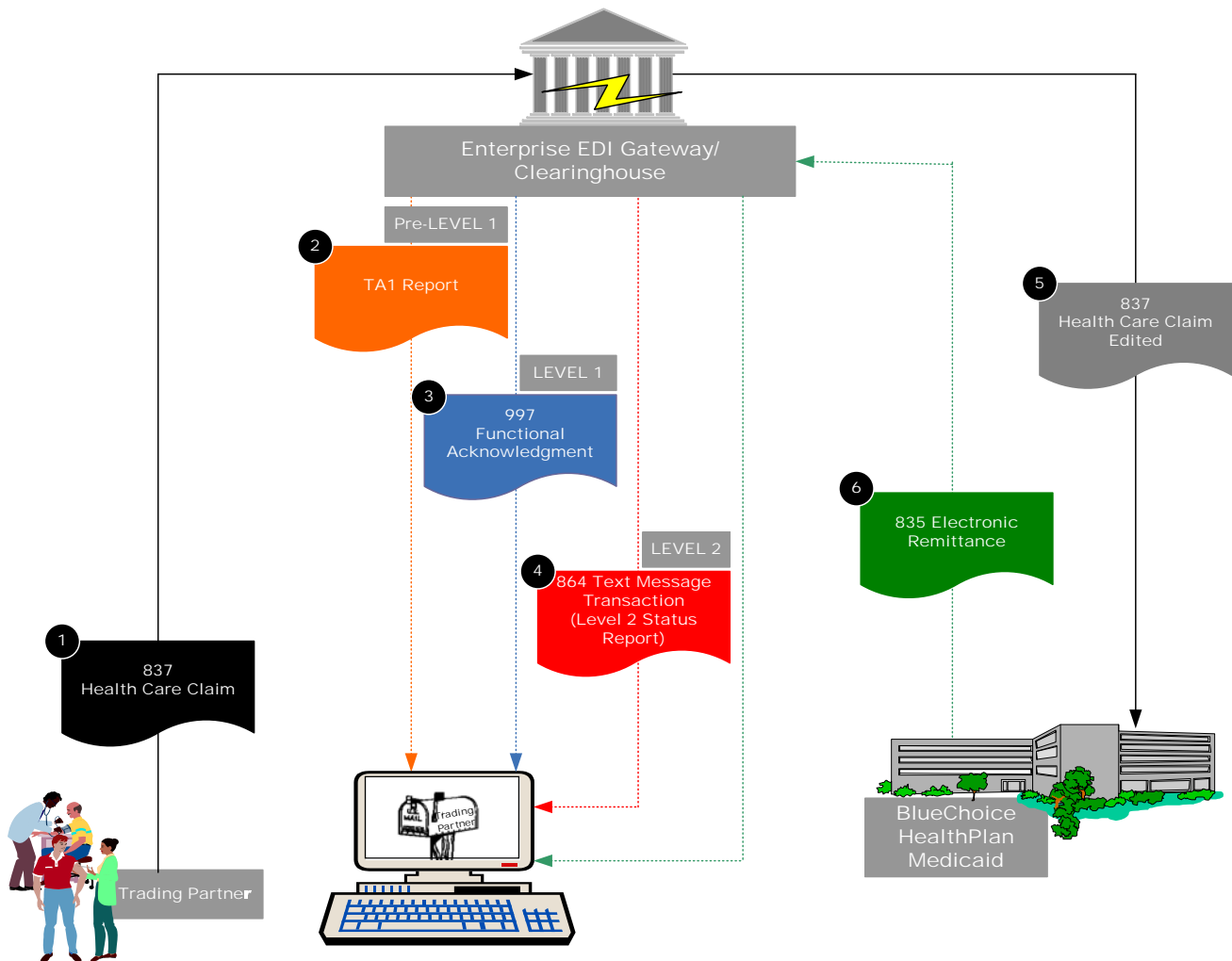
- Call EDI Solutions to request a current list of approved EDI Clearinghouses.
- Contact your current Systems Vendor, Clearinghouse, internal technical staff, or Billing Service approved by the Enterprise EDI Gateway/Clearinghouse. Any of these services may contact EDI Solutions directly for BlueChoice HealthPlan Medicaid data specifications and answers to questions.
- Evaluate the costs and benefits of the two EDI methods. Then, work with EDI Solutions to develop, test, and prepare your system. (Refer to **Chapter VI, Contact Information.**)

The diagram on the next page illustrates the process flow of an EDI claim transaction through the Enterprise EDI Gateway/Clearinghouse.

Process Flow

The goal of EDI transactions is to attain error-free processing from start to finish. To provide you with an overview of how the process works, follow the six steps accompanying the diagram of the 837 Health Care Claim process on the next page. For further explanation and details, refer to **Chapter IV, Transaction Processing.**

Process Flow Example – 837 Health Care Claim



Adjudication of a claim includes the following steps:

- ❶ Submit your 837 Health Care Claims file to the Enterprise EDI Gateway/Clearinghouse.
- ❷ The Enterprise EDI Gateway/Clearinghouse returns a TA1 Report only if an error occurs with enveloping and duplicate GS control numbers.
- ❸ The Enterprise EDI Gateway/Clearinghouse returns a 997 Functional Acknowledgment to your mailbox. Any Level 1 errors that occur will be indicated on this report.
NOTE: Contact EDI Solutions if you do not receive this acknowledgment after you submit your claims file.
- ❹ The Enterprise EDI Gateway/Clearinghouse returns an 864 Text Message Transaction (Level 2 Status Report) to your mailbox. This report will show list of passed and failed claims with corresponding Level 2 errors.
- ❺ The Enterprise EDI Gateway/Clearinghouse submits the edited 837 Health Care Claims file, formatted to HIPAA standards, to the appropriate payer, BlueChoice HealthPlan Medicaid, in the example. (Refer to **Chapter IV, Transaction Processing**, for more information on submitting and receiving.)
- ❻ After BlueChoice HealthPlan Medicaid receives the 837 Health Care Claims file and is processed, an 835 electronic remittance is returned to your mailbox via the Enterprise EDI Gateway/Clearinghouse. (Additional set up is required to receive an 835 electronic remittance.) If there are errors, you need to make the necessary corrections and resubmit your 837 Health Care Claim file to the Enterprise EDI Gateway/Clearinghouse for claims processing.

Testing Approval Process

Inform EDI Solutions of your progress on the development and testing of your system. At the appropriate times, EDI Solutions will work with you:

- To determine the appropriate telecommunications software package to communicate through the EDI network.
- To establish the submitter identification.
- To ensure that you have the current data specifications.
- To provide assistance as you begin testing and approval.

How Do I Get Started?

When you are ready to begin testing, fill out the Registration Form(s) located on the EDI website and retain a copy for your reference. Return the completed form to EDI Solutions. You will be reminded to complete the EDI Registration Form(s) in your Implementation checklist (refer to Section 3: **Appendices**).

Once received, we will contact you directly to schedule testing and assign the necessary IDs. A notification will then be sent to you confirming your ID assignment.

EDI Website - www.BlueChoiceSCMedicaid.com