
Impact on DDE Services

A paper describing the impact of HIPAA on direct data entry services, including web, character terminal, and other on-line screen services offered by payers to providers

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Attachment A: Final Rule Preamble Pertaining to DDE

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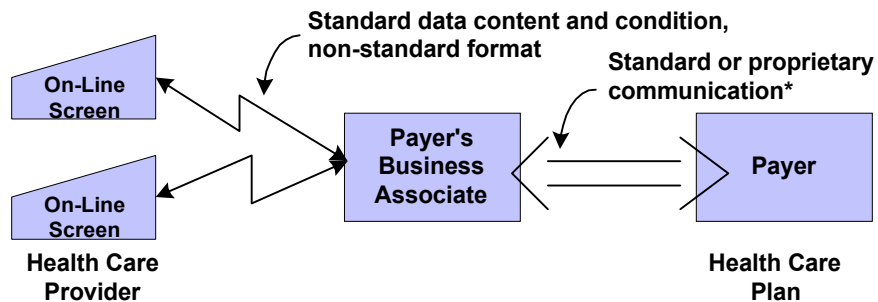
Major Revisions to DDE Paper Since March 5, 2001

This version is based on HHS responses July 1, 2001, to questions submitted by the workgroup and others. The major revisions since the March 5th draft, which was published on the SNIP web site, include the following:

1. Scope reflects HHS statement that voice response and fax-back are not DDE and do not need to follow standard data content, although privacy rules apply.
2. All three equal treatment rules (162.925(a)(2) - (4)) are quoted.
3. Paragraph 8.3 revised and footnote added to address asymmetric wording of the DDE exception that would suggest format exception applies only one direction.
4. Paragraph 8.4 (previously just called #4) revised to reflect HHS response that computer simulated screens are not acceptable under DDE exception.
5. Paragraph 8.5 Question being submitted to HHS whether plan-to-plan valid.
6. Paragraph 8.10 revised to use HHS response permitting shorter field lengths.
7. Paragraph 8.11 revised to use HHS response permitting field repeats (number of items) less than maximum in the standard.
8. Paragraph 8.12 revised to use HHS response on richer data content.
9. Paragraph 8.14 revised to more exactly correspond to HHS response on DDE being in addition to standard EDI capability.
10. Paragraph 8.15 new to reflect the "no incentive" rule. Paragraph should have been in the original draft. The workgroup is submitting a question on this.
11. Paragraph 8.16 new to use the HHS response on whether real-time EDI is required and to reflect the equal treatment and no incentive rules. The workgroup is submitting a question on this subject.
12. Paragraphs 9.4 and 9.5 added to better describe the implementation work faced by payers.
13. Paragraph 10.0 new to describe what providers must do.
14. Paragraph 11.0 renumbered and clause added on what deadline means to provider.
15. Attachments Q and X added on HHS response to FAQs and two new FAQs.

4.2 On-line screen service offered through agent of payer to provider

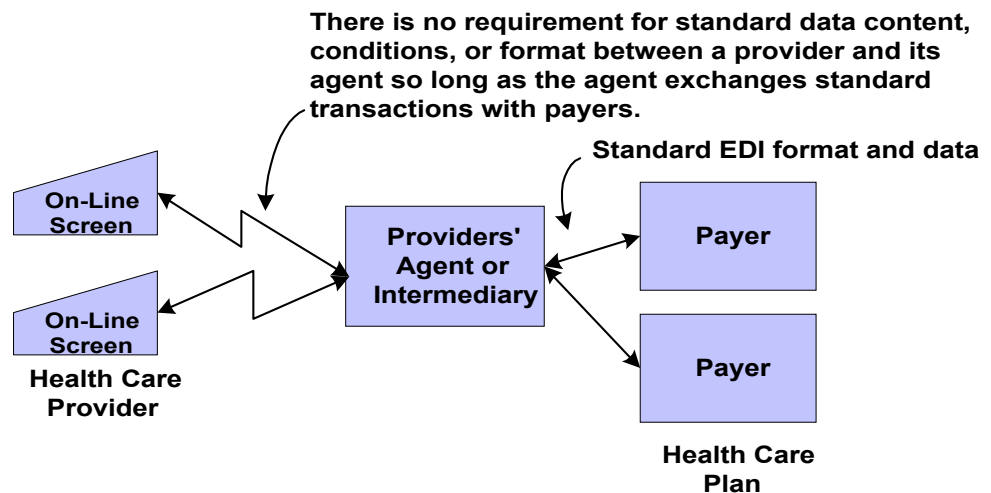
When a payer that uses an agent offers the on-line service, the DDE provision applies on communication between the provider's browser or character terminal and the payer's business associate. Communication between the agent and the payer need not be standard, but that may make the business associate a clearinghouse (we will clarify this in a later version of the paper).



* Does business associate become a clearinghouse if communication between it and payer is proprietary? A later version of this paper will clarify.

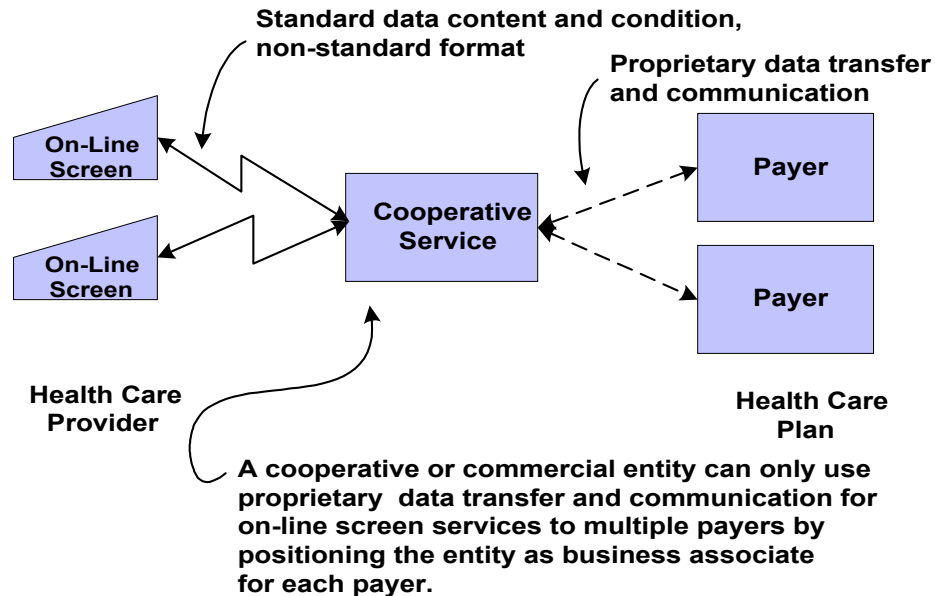
4.3 DDE inapplicable to service offered by provider's agent or intermediary.

The DDE provision applies to data "that is immediately transmitted into a health plan's computer", (which might be operated by the payer's business associate as illustrated in "4.2" above). Therefore, the DDE provision is inapplicable between a provider's agent or an intermediary and the payer.



4.4 Community DDE service permitted if agent of the payer

An intermediary can offer the DDE service and use proprietary communication between itself and the payer (as illustrated in "4.2" above), if it is positioned as each payer's business associate. Note here the DDE service is offered by the business associate on behalf of the payers.



5.0 Rules Applicable to the Direct Data Entry Exception

§162.923(a)...if a covered entity conducts with another covered entity (or within the same covered entity), using electronic media, a transaction for which the Secretary has adopted a standard under this part, the covered entity must conduct the transaction as a standard transaction.

§162.923(b) Exception for **direct data entry**¹ transactions. A health care provider electing to use direct data entry offered by a health plan to conduct a transaction for which a standard has been adopted under this part must use the applicable **data content** and **data condition** requirements of the standard when conducting the transaction. The health care provider is not required to use the format requirements of the standard.

§162.923(c) Use of a **business associate**. A covered entity may use a business associate, including a health care clearinghouse, to conduct a transaction covered by this part. ...

§162.925(a)(1) If an entity requests a health plan to conduct a **transaction** as a **standard transaction**, the health plan must do so.

¹ The bold type terms here are defined in the *Salient Definitions* section, which follows.

§162.925(a)(2) A health plan may not delay or reject a **transaction**, or attempt to adversely affect the other entity or the transaction, because the transaction is a **standard transaction**.

§162.925(a)(3) A health plan may not reject a **standard transaction** on the basis that it contains data elements not needed or used by the health plan (for example, coordination of benefits information).

§162.925(a)(4) A health plan may not offer an incentive for a health care provider to conduct a **transaction** covered by this part as a transaction described under the exception provided for in §162.923(b) [that is, the DDE exception above].

§162.915 Trading partner agreements. A covered entity must not enter into a trading partner agreement that would do any of the following: (a) Change the definition, data condition, or use of a data element or segment in the standard. (b) Add any data elements or segments to the maximum defined data set. (c) Use any code or data elements that ... are not in the standard's implementation specification(s). (d) Change the meaning or intent of the standard's implementation specification(s).

6.0 Salient Definitions Quoted from the Rules

Transaction	§160.103 <i>Transaction</i> means the exchange of information between two parties to carry out financial or administrative activities related to health care. It includes the following types of information exchanges: [It then lists without limitation the 10 transactions being standardized plus provision for others in the future. This definition is not limited to electronic transactions.]
Standard transaction	§162.103 <i>Standard transaction</i> means a transaction that complies with the applicable standard adopted under this part.
Data content	§162.103 <i>Data content</i> means all the data elements and code sets inherent to a transaction, and not related to the format of the transaction. Data elements that are related to the format are not <i>data content</i> .
Data condition	§162.103 <i>Data condition</i> means the rule that describes the circumstances under which a covered entity must use a particular data element or segment.
Direct data entry	§162.103 <i>Direct data entry</i> means the direct entry of data (for example, using dumb terminals or web browsers) that is immediately transmitted into a health plan's computer ² .
Business associate	§160.103 <i>Business associate</i> means a person who performs a function or activity regulated by this subchapter on behalf of a covered entity...

² or that is immediately transmitted into the computer of the health plan's business associate.

7.0 Preamble³ Describing the Direct Data Entry Exception

Preamble quotation on what DDE permits:	The “direct data entry” process, using dumb terminals or computer browser screens, where the data is directly keyed by a health care provider into a health plan’s computer, would not have to use the format portion of the standard, but the data content must conform.
Preamble quotation on what DDE does not permit:	If the data is directly entered into a system that is outside of the health plan’s system, to be transmitted later to the health plan, the transaction must be sent using the full standard (format and content).

8.0 Applicability to Payer-Provider On-line Screen Services

8.1 *HIPAA rules apply when an on-line screen is a transaction for which a standard has been adopted.* An on-line screen between a provider and a payer is a *transaction*, under the definition, if it exchanges information to carry out financial or administrative activities; so if an on-line screen is substantially one for which HIPAA has a standard, the HIPAA rules apply. To assert that a particular screen has a meaning not being standardized should only be done cautiously for compelling reasons.

8.2 *But what if the screen only inquires, is it still a transaction? Yes.*

Many of the existing on-line screens serve only to let the provider inquire into the payer's database. The thought is that since a simple data inquiry, in common parlance, does not sound like a transaction, perhaps the rules should not apply. However, the definition of *transaction* in the rules (c.f. 6.0 above) explicitly includes simple inquiries. This is illustrated by the Eligibility transaction:

"§162.1201 Eligibility for a health plan transaction. The eligibility for a health plan transaction is the transmission of either of the following:

(a) An inquiry from a health care provider to a health plan, or from one health plan to another health plan, to obtain any of the following information about a benefit plan for an enrollee:

- (1) Eligibility to receive health care under the health plan.
- (2) Coverage of health care under the health plan.
- (3) Benefits associated with the benefit plan

(b) A response from a health plan to a health care provider's (or another health plan's) inquiry described in paragraph (a) of this action."

³ The DDE section of the preamble is quoted as an attachment to this paper

The *exchange of information* in the definition of transaction comes from: (i) provider enters enrollee identification and (ii) payer responds with eligibility information. In addition, the payer logs a transaction audit record.

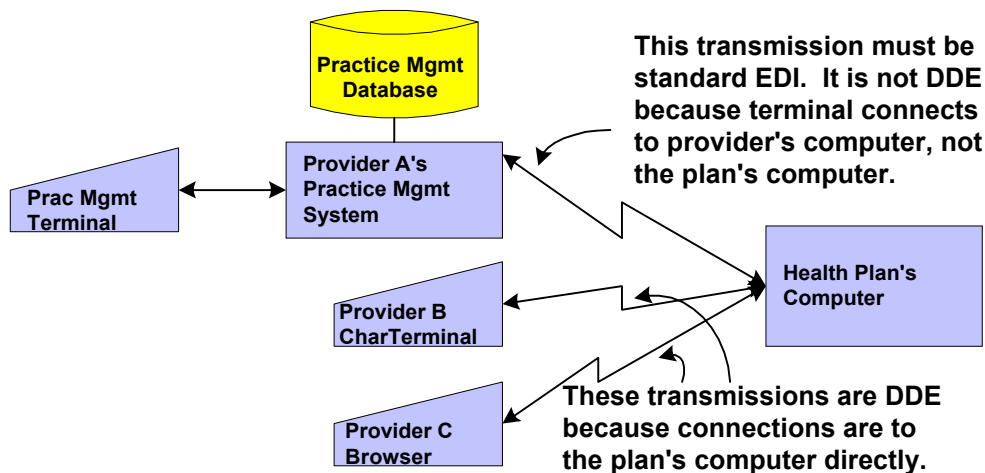
8.3 An on-line screen service to providers is direct data entry. The direct data entry exception relieves both the provider and payer from standard format requirements on on-line screen services (either generic terminal, browser, or similar) that payers offer to providers⁴.

8.4 Computer simulated data entry not permitted through DDE. The DDE exception applies "where the data is directly keyed by a health care provider into a health plan's computer." The DDE exception does not apply where "the data is directly entered into a system that is outside the health plan's system". Consequently, a provider cannot have its computer simulate screen entry to a payer's on-line screen service. This issue was put to HHS as a FAQ. HHS response on 7/1/2001 was:

If the sender is using his or her browser to directly enter information onto a server that is part of the receiver's system, then it is considered a direct data entry transaction, which need only meet the data content and data condition requirements. If, however, the data are being entered onto a server which is then repackaging the information to be sent to the receiver's system, that is considered a transaction which must be sent to the receiver meeting the data format requirements as well.

[c.f. Attachment Q2 at the end of this paper]

Some providers currently have programs that take data previously entered into their computers and populate data fields in simulated screen image records such that, when transmitted to the payer, they look to the payers' systems as though persons had key-entered the data on the screens. This usage is no longer permitted.



⁴ There may be asymmetry in the DDE definition, rule, and preamble, appearing literally to say only the provider is relieved of the format standard, but the context clearly intends that both sides are relieved of standard format in order to enable a normal browser or generic terminal service for which standard format would be "inappropriate".

However, the design changes to continue using the underlying DDE systems and databases are minimal. If the provider wishes to use EDI rather than DDE, it formats the transaction into standard EDI and packages the EDI transaction string as a single field within an agreed screen image or other interactive envelope⁵, and the payer implements a web program to process it. It's a 1-time change that enables exchange of standard EDI transactions.

The public policy benefit is that in this way the provider can use the same program with any payer and does not have to upgrade its program every time any payer changes its screens. The all-payer capability is a step toward 100% participation. Small payers will not be excluded because of it being too much work for the provider to accommodate their lower volume. And the approach takes a natural evolutionary step in the transition to standard EDI.

8.5 *Direct data entry exception applies only to providers.* The exception is limited to providers. If a standard transaction is required and it is not between a provider and payer, the DDE exception is inapplicable.

Question
to HHS



The SNIP Business Issues workgroup has submitted the conclusions in paragraph 8.5 to HHS as a question for possible expansion of the rule to include plan-to-plan and similar DDE services within the exception rule.

8.6 *The direct data entry exception is limited to format.* Data content, conditions and meaning must be **the same as** the standard. Note that the wording in the proposed rules was **as good as**. There were a number of FAQs submitted to HHS, whose answers restate the data content, conditions, and meaning requirements. See especially Attachment Q1 and Q5 at the end of this paper.

1. Collect all data elements that are required in the implementation guide, as well as those data elements that are situational and the situation is met (unless the data are already available on the health plan's system); [c.f. Attachment Q1.1 at the end of this paper]

8.7 *No special deals.* We cannot strike a deal with a provider to use the exception to get around data requirements of a standard. The rules state that we cannot use a reduced data set, require more data, or use non-standard codes or meaning.

8.8 *Same data content means standard codes.* A code may be communicated through a format-related technique (for example, the transmitted value for a selection from a drop-down box that displays the English meaning of the codes may be the position in the table), but the values selected must correspond with standard codes. Most importantly,

⁵ For example, ebXML, a pending Internet specification for electronic business, can carry a standard EDI transaction; or a simple HTML form that is not displayed can carry a standard transaction in a single data element.

we cannot permit locally defined codes through the exception any more than through a standard transaction.

2. Use only the internal and external code sets designated in the implementation guide with no additions or substitutions;

[c.f. Attachment Q1.2 at the end of this paper]

8.9 Okay to design screens applicable to a provider. It is reasonable to make the following interpretations:

- **Applicable code sub-sets.** It is reasonable to show only that sub-set of code values that are applicable to the specific provider. It would not be reasonable to be forced to show a complete code set in a selection table to the provider when, if the provider selected certain of them, the payer would then reject the transaction as not valid for that provider.
- **Pre-existing data.** It is reasonable not to require the user to enter certain obvious data elements if they are already resident or determinable from information in the payer's files, but it is generally good practice to display such system-supplied data because the provider is responsible for all data on a transaction it submits. System-supplied data should be added to the transaction record such that, when finalized and processed, the transaction then has the same data content as the standard.
- **Inapplicable situational data elements.** It is reasonable to exclude situational data elements on a screen when the situation as defined in the standard would not apply. Often this can be known based on the type of provider. Note however that the standard defines the situation in terms of the transaction instance, not whether or not a given plan wants the data. If a plan does not want standard data, it is nevertheless required.
- **Infrequently used situational data elements.** It is reasonable to include infrequently used situational data elements on pop-up or supplemental screens.

8.10 Data element lengths. The standards define minimum and maximum lengths for data elements. In many cases, on-line screens currently show shorter lengths than the maximum, and this practice continues to be permitted.

- **Sufficient length for any permitted code.** The length of a screen field such as a phone number or externally defined code set may be shorter than the maximum in the Implementation Guide, but it should accommodate any actual valid value that may be entered.
- **Reasonable length for descriptive data.** The length on a screen of a name, address, or similar descriptive data element need not be the

maximum. This issue was submitted as an FAQ, and the response from HHS was as follows:

3. Provide for at least the field size minimums noted in the implementation guides, but no more than the maximum sizes;
[c.f. Attachment Q1.3 at end of this paper]

Nevertheless, we suggest that payers work toward accommodation of full-length data elements on screens and databases as the most efficacious long-term strategy.

- **Better data.** Full-length fields will reduce errors from providers truncating data, and reduce the risk that providers will design their systems and forms for the lowest common denominator.
- **Full-length is good systems design.** On browser screens, through the use of horizontally scrolled data entry fields, lengths can be the maximum without consuming extra space. Additionally, full-length data elements will be received with standard EDI transactions, may be needed for outgoing transactions, are suggested for integration of EDI with DDE [see 9.4], and modern database management systems do not consume storage space for unused field capacity anyway.

8.11 Number of items. Standards provide more items (loop iterations) than on-line screens currently permit. These maximums may be rather impractical for the DDE environment, in which transactions are manually keyed into browsers or terminals. Consequently, DDE screens should support numbers of line items that are reasonable for each transaction and its users. This issue was submitted as an FAQ, and the response from HHS agreed with this interpretation as follows:

4. Permit at least the minimum number of field repeats noted in the implementation guide, but not more than the maximum number.
[c.f. Attachment Q1.4 at end of this paper]

8.12 Richer data content. Some existing screens may contain data entry and data response fields that are not in the standard. Continued inclusion of such fields would be non-standard except on a separate screen or, presumably, a section of the screen that is clearly separate from the standard. The key rule is that neither a payer or provider is permitted to require data in addition to the standard. The HHS response was:

A health plan may not add additional information to any of the standard transactions. It may, however, provide additional information through a separate mechanism. For example, the web-based service described in the question could provide additional information on a web page separate from the web page containing the standard data content. The resolution of the standard transaction cannot depend on the additional information.
[c.f. Attachment Q4 at end of this paper]

8.13 Privacy and security. Please note HIPAA requirements for privacy and security are fully applicable to on-line screen services; however, it is not our intent in this paper to detail privacy and security requirements.

8.14 Full EDI still mandated. Even if a health plan offers an on-line screen service, it must also accept and send transactions in standard form when requested to do so; therefore, it must have full EDI capability such that a DDE service is in addition to that.

The health plan must, at a minimum, provide an EDI-based solution that meets the requirements of the standards adopted by the regulation. For the current standards, this means an EDI based solution that meets the requirements of the implementation guides. Any number of additional technologies for data submission (direct data entry, Internet-based or not) may be adopted at the discretion of the plan, but there is no requirement that a plan offer any additional options beyond the minimum required EDI solution. [c.f. Attachment Q3 at end of this paper]

8.15 No incentives for using DDE. A health plan cannot offer any incentive to a provider to encourage the provider to use its DDE service rather than, say, standard EDI.

§162.925(a)(4) A health plan may not offer an incentive for a health care provider to conduct a transaction covered by this part as a transaction described under the exception provided for in §162.923(b) [that is, the DDE exception above].

For example, a health plan cannot offer its DDE service at no cost while charging a fee for standard EDI. It cannot offer through its DDE service superior response⁶ or more liberal health benefit or any other attribute that would be an incentive over standard EDI. It must offer the same response time through standard EDI as through DDE.

Question
to HHS



The SNIP Business Issues workgroup has submitted the conclusions in paragraphs 8.15 and 8.16 to HHS as a question for clarification. The question deals with the intent of the word *incentive* in the rule and applicability of both equal treatment rules in regard to response time and other criteria.

8.16 A Plan must offer real time standard EDI if it offers DDE. A health plan is not required to offer real time or interactive transactions *per se*:

...it is a business decision that is left up to the health plan to decide whether to offer batch, real time, or both types of transactions.

[c.f. Attachment Q6 at end of this paper]

However, according to the equal treatment rules, if the plan offers a DDE service such that certain otherwise standard transactions are responded

⁶ For example, it could not offer real-time adjudication through the DDE exception, even at a price, without also offering it through standard EDI.

to in real time, it must offer a reasonable means to respond to the same transactions if they are standard; otherwise it would be adversely affecting the EDI transaction because it is standard, and it would be providing an incentive to use its DDE service, either of which rules are sufficient to require a real time standard EDI capability when a plan offers DDE. The mandate and equal treatment rules are as follows:

§162.925(a)(1) If an entity requests a health plan to conduct a transaction as a **standard transaction**, the health plan must do so.

§162.925(a)(2) A health plan may not delay or reject a transaction, or attempt to adversely affect the other entity or the transaction, because the transaction is a standard transaction.

§162.925(a)(4) A health plan may not offer an incentive for a health care provider to conduct a transaction covered by this part as a transaction described under the exception provided for in §162.923(b) [that is, the DDE exception above].

Question
to HHS 

The SNIP Business Issues workgroup has submitted the conclusions in paragraphs 8.15 and 8.16 to HHS as a question for clarification. The question deals with the intent of the word *incentive* in the rule and applicability of both equal treatment rules in regard to response time and other criteria.

9.0 Impact of the DDE Rule on Payers

The impact on payer systems of the DDE exception is as follows:

- 9.1 *Redesign screens.*** On-line screens must be redesigned to accommodate increased data content and data lengths. Some redesign may have to eliminate a few data elements.
- 9.2 *Eliminate local codes.*** Locally defined codes must be eliminated.
- 9.3 *Redesign databases.*** The server databases supporting the on-line screen services will have to be redesigned to accommodate increased data content and, it is recommended, data lengths.
- 9.4 *Integrate with EDI.*** Many of the same transactions that are conducted on DDE screens will also be conducted with standard EDI transactions. Within payer systems, the data sources and resulting database records for DDE and EDI must come together at some point; so their systems are candidates for close integration, which would also ensure smooth future development of each service.
- 9.5 *Enable smooth transition for providers.*** It is in a payer's interest to introduce its upgraded DDE service prior to the final deadline. Some providers will not be ready at the same time; so the payer should provide an easy means of transition for those providers.

10.0 Impact of the DDE Rule on Providers

Providers using a DDE service must be able to supply the data that are required by HIPAA standards. Many providers will need to modify their processes, forms, and internal systems in order to be able to supply the required data.

11.0 Deadline for Compliance

According to the current HIPAA schedule, payer DDE systems must comply by October 2002, and providers using DDE services must be capable of supplying the data required by the standards by October, 2002, or discontinue use of DDE.

12.0 Modifying the Final Rule

Modification requires industry consensus before consideration by the Secretary:

§162.923 Modifications, gives the Secretary ability to modify a standard or implementation guide at any time during the first year "if the Secretary determines that the modification is necessary to permit compliance with the standard".

§162.910 Maintenance of standards and adoption of modifications and new standards, describes the process by which a standards organization (e.g. ANSI ASC X12N, NCPDP) can propose modification of a standard. This includes an expedited process to address needs identified within the industry, if appropriate.

13.0 Long-Term Trend

DDE services are popular with providers; however, provider systems are evolving such that the EDI systems in provider offices or their service providers (e.g. billing services, ASPs) will become full function, automatic systems. Over the long term we expect providers will prefer standard EDI transactions to on-line screen services because of the following two factors:

- 13.1 All-payer.** Providers want processing of transactions to be the same for all payers, and this capability is much more likely with standard EDI than on-line screen services.
- 13.2 Full integration in provider systems.** Providers want full integration of EDI operations with their internal information systems, and this is feasible with standard EDI while incompatible with manually keyed DDE screens.

Attachment A

Final Rule Preamble Pertaining to Direct Data Entry Exception⁷

2. Various Technologies

Proposal Summary: Entities that offer on-line interactive transmission of the transactions described in section 1173(a)(2) of the Act, would have to comply with the standards (63 FR 25276). For example, the Hypertext Markup Language (HTML) interaction between a server and a browser by which the data elements of a transaction are solicited from a user would not have to use the standards, although the data content must be equal to that required for the standard. Once the data elements are assembled into a transaction by the server, the transmitted transaction would have to comply with the standards.

a. Comment: Several comments recommended that electronic transmissions should be classified as “computer to computer without human interaction” (i.e., batch and fast batch transmissions) and be subject to the national standards. They also recommended that transmissions involving browser to server (Internet, Extranet, HTML, Java, ActiveX, etc.), direct data entry terminals (dumb terminals), PC terminal emulators, point of service terminals (devices similar in function to credit card terminals), telephone voice response systems, “faxback” systems, and any real-time transactions where data elements are directly solicited from a human user, be classified as “person to computer” transmissions. Moreover, “person to computer” transmissions should be supplemental to the national standards, but the data content of these transmissions should comply with the HIPAA electronic standards as they apply to data content.

Several commenters questioned whether HIPAA requires a health plan to support “person to computer” methods. Several commenters suggested that we should only except HTML web sites from the transaction standards if the web browser is used in HTML passive mode without plug-ins or programmable extensions and that the response times must be the same or faster than that of the HIPAA electronic standards.

Commenters also recommended that we permit the use of a proprietary format for web-based transactions if the transactions are sent to an entity’s in-house system for processing, and the entity’s web browser is under the control of a back-end processor, as well as part of the same corporate entity, and does not serve other back-end processors. They recommended that the HIPAA standards be used if the transactions are sent externally (outside of that entity’s system) for processing, and the entity’s web browser is under a contract with a back-end processor that is not under the same corporate control, and that serves more than one back-end processor.

Response: We are pleased that commenters support the use of the national standards for electronic transactions since this outcome is required by section 1173 of the Act. For each designated transaction, these standards specify the format, the data elements required or permitted to structure the format, and the data content permitted for each of

⁷ Quoted for reference purposes from the preamble of the final rule.

the data elements, including designated code sets where applicable.

Certain technologies present a special case for the use of standard transactions. We proposed that telephone voice response, “faxback”, and Hyper Text Markup Language (HTML) interactions would not be required to follow the standard. We have since reevaluated this position in light of the many comments on this position and on developments in the EDI industry which continue to expand the options in this area. We have decided that, instead of creating an exception for these transmissions, we will recognize that there are certain transmission modes in which use of the format portion of the standard is inappropriate. However, the transaction must conform to the data content portion of the standard. **The “direct data entry” process, using dumb terminals or computer browser screens, where the data is directly keyed by a health care provider into a health plan’s computer, would not have to use the format portion of the standard, but the data content must conform. If the data is directly entered into a system that is outside of the health plan’s system, to be transmitted later to the health plan, the transaction must be sent using the full standard (format and content)**⁸. We have included this clarification in §162.923 (Requirements for Covered Entities).

⁸ Emphasis added. These sentences are quoted in the body of this paper.

Attachment Q

HHS Responses to DDE Questions

Ref	Questions (Bold) and HHS Answers on July 1, 2001	Cited in
Q1	<p>What are the data content requirements that apply to direct data entry (DDE) systems?</p> <p>Section 162.923(b) of the regulation requires that the data content and data condition requirements of the standard must be met by DDE systems. This means that these systems must:</p> <ol style="list-style-type: none"> 1. Collect all data elements that are required in the implementation guide, as well as those data elements that are situational and the situation is met (unless the data are already available on the health plan's system); 2. Use only the internal and external code sets designated in the implementation guide with no additions or substitutions; 3. Provide for at least the field size minimums noted in the implementation guides, but no more than the maximum sizes; and 4. Permit at least the minimum number of field repeats noted in the implementation guide, but not more than the maximum number. 	<p></p> <p>8.6</p> <p>8.8</p> <p>8.10</p> <p>8.11</p>
Q2	<p>When are web-based transactions considered to be part of Direct Data Entry systems which are subject only to the data content portions of the standards, and when are they considered regular transactions which must meet both data content and format requirements of the standards?</p> <p>If the sender is using his or her browser to directly enter information onto a server that is part of the receiver's system, then it is considered a direct data entry transaction, which need only meet the data content and data condition requirements. If, however, the data are being entered onto a server which is then repackaging the information to be sent to the receiver's system, that is considered a transaction which must be sent to the receiver meeting the data format requirements as well.</p>	<p>8.4</p>
Q3	<p>Does the use of only an Internet-based (computer-to-person) inquiry and response solution (e.g., claims status and eligibility inquiries come to a client via the Internet) constitute compliance with the HIPAA standards, or does a health plan need to also use an EDI-based (computer-to-computer) inquiry/response technology solution at a minimum? What number/types of technologies must be used for a health plan to be compliant with HIPAA mandates?</p> <p>The health plan must, at a minimum, provide an EDI-based solution that meets the requirements of the standards adopted by the regulation. For</p>	<p>8.14</p>

Ref	Questions (Bold) and HHS Answers on July 1, 2001	Cited in
	<p>the current standards, this means an EDI based solution that meets the requirements of the implementation guides. Any number of additional technologies for data submission (direct data entry, Internet-based or not) may be adopted at the discretion of the plan, but there is no requirement that a plan offer any additional options beyond the minimum required EDI solution.</p>	
Q4	<p>If a covered entity adheres to the data content requirement, can they also provide additional information using other technologies?</p> <p>For example, if a health plan has a Web query solution for claim status, and meets all data content requirements for the 276 request and the 277 response, could they also provide additional information regarding the status of the claim? An example of additional information would be to provide claim resolution instructions for denied claim, or a statement that would better clarify the action taken on the claim.</p>	
	<p>A health plan may not add additional information to any of the standard transactions. It may, however, provide additional information through a separate mechanism. For example, the web-based service described in the question could provide additional information on a web page separate from the web page containing the standard data content. The resolution of the standard transaction cannot depend on the additional information.</p> <p>Health care providers and health plans that have a business need for additional information are encouraged to work with the Designated Standard Maintenance Organizations to submit a request to modify the standard(s). Section 162.910 established criteria for the processes to be used for such modifications.</p>	8.12
Q5	<p>Does 'standard transaction' mean that the screens used for direct data entry, using a browser in an extranet application, have to conform to both data content and format?</p> <p>There appears to be a conflict between the regulation text and the preamble regarding the exceptions for the Internet electronic media. The final regulation text states that, "If a covered entity conducts with another covered entity, using electronic media, a transaction for which the Secretary has adopted a standard under this part, the covered entity must conduct the transaction as a standard transaction. Electronic media means the mode of electronic transmission. It includes the Internet, Extranet, leased lines, dialup lines, etc." Does 'standard transaction' mean that the screens used for direct data entry, using a browser in an extranet application, have to conform to both data content and format?</p>	
	<p>We do not see the conflict suggested. The provisions for direct data entry</p>	

Ref	Questions (Bold) and HHS Answers on July 1, 2001	Cited in
	<p>are explicitly listed as an "exception" to the general rule at section 162.923(b). This means that, for transactions coming within the exception, the alternate requirements of the exception constitute the standard (unless, of course, the health care provider elects to follow the general rule).</p> <p>Direct data entry (DDE) systems are not subject to the transaction format requirements, but must use 'applicable data content' and data condition requirements. In this context, 'applicable data content' means that the DDE systems must collect all fields that are required in the HIPAA implementation guide for a particular standard, as well as those situational elements that are needed for processing (unless that data is already available to the health plan's system). All internal and external code sets designated in the implementation guide(s) are to be used. DDE systems must provide for at least the field size minimums noted in the implementation guide(s), but no more than the maximum size allowed. DDE systems must also permit at least the minimum number of segment/field repeats noted in the implementation guide(s), but no more than the maximum number allowed. In addition, DDE systems may not collect additional data that are not included in the implementation guide for a particular standard transaction.</p>	8.6
Q6	Must health plans offer both batch and real-time transactions if the implementation guide supports both?	
	No, it is a business decision that is left up to the health plan to decide whether to offer batch, real time, or both types of transactions.	8.16

Ref	Questions (Bold) and HHS Answers on December 28, 2000	Cited in
Q7	If a health care provider faxes a health care claim form, must the transaction comply with the standard?	
	Fax imaging and voice response transmissions are not subject to the HIPAA transactions standards but may have to meet privacy and security standards. Health plans may continue to offer these services, however, they must still be able to accept and send the HIPAA standard transactions. [12/28/2000]	2.0

Attachment X

Two FAQ Questions to Department of Health & Human Services On the Direct Data Entry Exception July 31, 2001

The WEDI SNIP Business Issues Workgroup submits the following two questions on the applicability of the Direct Data Entry (DDE) exception:

FAQ 1⁹. *Providers only?* The current wording of the DDE exception is limited to a plan's DDE service to providers. Could this be expanded to permit a plan's DDE service to other covered entities such as other plans or clearinghouses?

FAQ 2¹⁰. *What are the criteria*--such as speed, quality, cost, or other criteria--that the Department will consider in evaluating a plan's compliance with §162.925(a)(2) not to disadvantage a standard transaction and §162.925(a)(4) not to offer an incentive to use DDE? The following are offered as examples, but are not exhaustive of the criteria question:

- a. Speed of response.** If a plan's DDE service responds to an eligibility inquiry or claim status inquiry in seconds, do the two rules require that the plan accept and respond to a standard inquiry in the same time frame? If standard inquiries were answered overnight, would that disadvantage the standard or be an incentive to use DDE?
- b. Quality: Level of detail.** If a plan's DDE service responds in detail to an eligibility inquiry, do the two rules require that the plan accept and respond to a standard inquiry in the same level of detail?
 - If a plan's DDE system is capable of handling a DDE explicit request, would there be a presumption that the plan's systems, but for a format conversion, are also capable of handling an explicit standard request?
 - If a plan responds in greater detail to a DDE request than to a standard transaction, is it disadvantaging the standard or offering a DDE incentive?
- c. Cost.** If a plan were to cover the full costs of its DDE telecommunications network such that a provider incurs the cost of

⁹ This question is referenced in paragraph 8.5 of the SNIP paper, *Impact on DDE Services*, July 31, 2001.

¹⁰ This question is referenced in paragraphs 8.15 and 8.16 of the SNIP paper, *Impact on DDE Services*, July 31, 2001.

only a local telephone call, do the two rules require the plan also to cover long distance toll charges for standard transactions?

- d. Other criteria or offsetting criteria.* What other criteria will the department consider in evaluation? Can a plan offset an advantage with a disadvantage; for example, could it give faster response to DDE but charge a fee for it and would the two offset such that together the plan is in compliance?