

# State Agency – Project Status Report



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**Reporting Period Ending on January 31, 2015**

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## Document Information Page

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## Amendment History

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	0.1	08/30/2013	John Evans	Initial Version.

# Projects Status

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The projects depicted below represent changes that potentially impact State Agencies:

## 1. Project/Change Order

Affordable Care Act (ACA) Operating Rules – Phase III

### 2.1 Overview

Phase III Operating Rules apply to Claim Payment/Advice (835) transactions, Electronic Funds Transfer (EFT), and Electronic Remittance Advice (ERA) data. Phase III continues to build on the Phase I and II rules. Phase III is made up of the following rules:

- **Rule 350 – 835 Retrieval**

Enhances Phase II by adding an additional transaction for 835 data file retrieval and addresses dual delivery of 835 and Proprietary Paper Claim Remittance Advices.

An additional requirement added by the Agency will require 835s (Electronic Remittance Advice – ERA) to be generated for every provider. Therefore, every provider, or their designated representative, will need to register for a trading partner ID so that ERAs can be produced and distributed appropriately.

- **Rule 360 - Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC)**

Dictates the combination of codes that can be used for certain business scenarios. Working with their members and other large healthcare systems, CAQH CORE defined four common business scenarios that impact claim payment and processing. For each of these scenarios, CAQH CORE defined specific code combinations that MUST be used by Healthcare Systems on the v5010 X12 835 electronic RA. Business scenarios that are encountered beyond these four are left to the discretion of the Healthcare System to determine the code combination to use.

- **Rule 370 – EFT and ERA Re-association Rule (CCD+/835)**

Standardizes the Re-association Data by specifying the location where the data should be stored in both the CCD+ EFT transaction and the 835 ERA transaction. Specifically, Re-association Data is to be placed in the:

- Addenda Record for the CCD+ transaction
- BPR and TRN Segments of the 835 Transaction

Rule 370 additionally specifies:

- The maximum allowed lag time between receipt of an ERA and its corresponding EFT
- Requirements for elapsed time auditing
- Requirements for resolving late or missing EFTs and/or ERAs

- **Rule 380-382 - ERA/EFT Enrollment**

- Rule specifies the maximum data that may be collected to enroll a provider or trading partner for receiving an Electronic RA (ERA/835) or payments via EFT
- Only data elements specified by the rule may be collected.
- The rule specifies the names of the all data elements. These names must be used exactly on paper or electronic enrollment forms.
- The data elements must be presented in a specific order on paper or electronic forms.
- The rules specify which data elements are mandatory and which are optional.
- Related data elements are put into Data Element Groups. The groups must also be presented in a specific order and may be either mandatory or optional.
- The data elements and data element groups are similar, but not identical, for the two rules.

## 2.2 Current Status

Construction deliverables have been approved for Rules 350 and 370, and system testing is underway. Weekly meetings have been established to review system test cases, with the first being completed January 29. Construction is nearing completion on Rule 360 and will be completed on Rules 380/382 by the end of February, 2015. System testing for Rule 360 is planned to begin at the end of February, and testing Rules 380/382 is planned to begin mid-March.

Initial mappings of production EOBs (explanation of benefits) to CAQH CORE approved Business Scenario / CARC (claim adjustment reason code) / RARC (remittance advice remark code) / CAGC (claim adjustment group code) code combinations have been completed, reviewed and approved. Additional mappings are in progress and scheduled to be reviewed with the Agency in early February. Alabama submitted new business scenarios and code combinations to CAQH CORE for their consideration during the open Market Based Review period ending January 23.

External communication is planned for mid-February to continue to convey required provider actions in preparation for ACA III implementation. As of mid-January, eleven (11) VANS have processed transactions in Production Safe Harbor. Additional outreach is being sent to remaining eight (8) VANS to re-communicate new March 1, 2015 deadline to move to Safe Harbor.

On January 30, 2015, CAQH CORE certified the Alabama Medicaid system for ACA Phase I and Phase II. Communication is being drafted with plans to place on the Alabama Medicaid website. Additional avenues for communication and presentation of the CORE seal will be discussed early February. Construction on Phase III Safe Harbor is expected to begin mid-February.

A quality health check was conducted on the Resource Management Plan during January, with no findings noted.

## 2.3 Potential Impact

During the Agency kickoff meeting HP reviewed the requirements and solutions for all Rules with the Agency PMO and FPOs. Initial external entity and operational impacts have been assessed and are documented in the proposal and designs. As new impacts come to light throughout the construction and testing process, they will be documented, communicated, and included in the project implementation plans. Project risks are being identified, assessed, and documented. HP will work closely with impacted areas to mitigate the project risks.

Model office implementations are occurring in three stages – mitigating the risk to the overall project schedule as a result of late approvals on Rules 380/382 design and additional work required for Rule 360.

## 2.4 Anticipated Implementation Date

Utilizing the staged approach for Model Office implementation, UAT and Vendor testing will occur mid-May – mid-July 2015 (original target dates were April – May 2015), with final implementation occurring end of July 2015 (original target date was mid-June 2015). Two months of post-implementation support will follow – to be concluded mid-September 2015 (original target date was mid-August 2015).

Phase III certification testing will begin after integrated system testing and before the end of User Acceptance / Vendor testing. Certification is anticipated September 2015.



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