1. Atypical Services Comment

Comment: We received comments both for and against subjecting transactions for certain services to the transaction standards. Some commenters recommended that any service that could be billed to a health plan be required to comply with the standards in order to avoid the need to maintain alternate systems. However, other commenters argued that certain Medicaid services are not insured by any other program, thus, use of the standard is unnecessary...

Response: We agree with commenters that case management is a health care service since it is directly related to the health of an individual and is furnished by health care providers. Case management will, therefore, be subject to the standards.

We recognize that the health care claim and equivalent encounter information standard, with its supporting implementation specification, is capable of supporting claims for atypical services. However, requiring all services potentially paid for by health plans to be billed using the [[Page 50316]] standards would lead to taxi drivers, auto mechanics and carpenters to be regulated as health care providers. Instead, we will use our definition of “health care" found at 160.103 to determine whether a particular service is a “health care" service or not. Services that are not health care services or supplies under this definition are not required to be claimed using the standard transactions. Thus, claims for non-emergency transportation or carpentry services for housing modifications, if submitted electronically, would not be required to be conducted as standard transactions. As noted above, the standards do support such claims and a health plan may choose to require its atypical service providers to use the standards for its own business purposes.

Those atypical services that meet the definition of health care, however, must be billed using the standard if they are submitted electronically. If there are no specific codes for billing a particular service (for example, there is not yet an approved code set for billing for alternative therapies), or if the standard transactions do not readily support a particular method of presenting an atypical service (for example, roster billing for providing immunizations for an entire school or nursing facility), the health care service providers are urged to work with the appropriate Designated Standard Maintenance Organizations (DSMOs) to develop modifications to the standard and implementation specifications. (See ``I. New and Revised Standards'' in this section of the preamble for a discussion of the DSMOs.)

We disagree with the proposal that home and community based waiver services should have a blanket exemption from the administrative simplification standards. First, Congress explicitly included the Medicaid programs as health plans that are subject to the administrative simplification standards. Second, these waiver programs commonly pay for a mix of health care and non-health care services. State Medicaid agencies with home and community based waivers are not exempt from these standards for transactions relating to health care services or supplies.