



October 10, 2003

Dear Professional Provider,

Re: IMPORTANT HIPAA UPDATE

October 16, 2003 is the compliance date for the HIPAA regulations related to national standardized coding and transmission of information via Electronic Data Interchange (EDI). As outlined below, complying with these regulations has required EyeMed (and other managed vision care providers) to implement many changes. However, one of these changes has opened up a **tremendous** opportunity for all providers who are interested in electronic claims processing and especially “batch claims processing” with EyeMed. If you are still filing CMS-1500 claim forms (formerly HCFA 1500) for either EyeMed and/or ECPA plans (and especially if you file a large number of these claims), this new opportunity will provide great benefits for you!

Standardized Coding

Beginning **October 16, 2003**, we will begin to adhere to standardized HCPCS and CPT coding that has been created and endorsed by The Center for Medicare and Medicaid Services (CMS) and the American Medical Association (AMA). To standardize the codes for eye/vision services, shortfalls were identified and then either new service codes or modifiers were created. **Only the approved HCPCS and CPT codes and modifiers will be accepted for claims submissions after October 16, 2003.** While several additional proposed modifiers and/or service codes are still under review, we have attached the current list of those that have been approved for use. These codes and modifiers should be used on any/all claims filed through EyeMed Vision Care on or after **October 16, 2003**. EyeMed will send you updates to keep you advised regarding any future approvals of modifiers and/or service codes.

Current Claims Processing Options

Our current claims processing options (on-line claims system and the CMS-1500 form) will still be available for your use, but will be modified to reflect HIPAA-related changes.

On-line claims system: For ease of claims submission, EyeMed’s on-line claims system has been updated to incorporate all approved code/modifier changes. To submit claims on-line, simply go to www.eyemedvisioncare.com, register as a provider and follow the easy step-by-step process to file your EyeMed and/or ECPA claims on-line. For the thousands of providers who already use our on-line claims system, you can continue to use this system seamlessly through the HIPAA transition. Remember also that the on-line claims system provides you with a number of important benefits beyond electronic claims processing, including:

- Receiving verification of member’s eligibility for service
- Viewing member-specific benefit information
- Performing automatic benefit calculations
- Checking status of any submitted claims and viewing payment history

CMS-1500 form: Should you choose to continue submitting hardcopy paper claims, we have enclosed a CMS-1500 claim form displaying the use of the new codes. While the regulations don’t specifically pertain to hardcopy paper claims, we will require these forms to include approved codes/modifiers to allow EyeMed to be in a position to trade electronically with the payers of these plans. Should you submit hardcopy paper claims, especially a significant number of them, the information on the next page regarding Electronic Data Interchange, newly available through EyeMed, should be of great interest to you.

Electronic Data Interchange (EDI)

EyeMed is now required to have the ability to accept electronic information with our clients and providers. The following is a description of the EDI transactions that will be available to EyeMed providers:

270 Eligibility Inquiry/271 Eligibility Response – Allows a provider to verify a member’s eligibility for service and for EyeMed to reply. (Note: This is an additional method of verifying eligibility and does not replace your ability to secure verifications via IVR, the on-line claims system and/or an EyeMed representative).

837 Professional Health Care Claim – Allows providers to send electronic claims (in addition to our current on-line claims system). In line with our standard protocol, each 837 claim will be reviewed for completeness and either accepted or rejected.

276 Claims Status Report/277 Claims Status Response – Allows providers to inquire as to the status of a submitted claim and for EyeMed to respond. This response is similar to the claim status currently available in EyeMed’s on-line claim system and will identify whether a claim is “Paid, Denied, Pending Payment or In Review”.

835 Claim Remittance – Allows EyeMed to send a remittance advice (detail of what we are paying) to a provider (along with a check or direct deposit notification).

Benefits of HIPAA-Compliant EDI Claims Processing

As noted earlier, many EyeMed providers, especially those submitting a large number of CMS-1500 claim forms, have expressed a desire for EyeMed to accept electronic claims processing, especially “batch claims processing”. We are excited to announce that we now have this capability available for those providers who are still submitting paper and for whom our current on-line claim system has not proven a good fit for their office. You can submit transactions via EDI either through your clearinghouse and/or through your Practice Management system, assuming it supports the creation of HIPAA X12 transactions.

There are a number of potential benefits to your use of EDI in health care transactions. These fall into three main categories of opportunity: Revenue Enhancement, Cost Reduction and Cash Acceleration:

- **Cash Acceleration**
 - * Reduced time spent waiting on claims checks and remittance information
- **Cost Reduction**
 - * Reduced rework
 - * Reduced time per transaction
- **Revenue Enhancement**
 - * Interest on accelerated payment

If you have questions and/or are interested in beginning to submit any EDI transactions, please contact Lisa Belcuore at lbelcuor@eyemedvisioncare.com or by phone at 1-513-765-6007 to initiate these discussions.

We realize the changes required by HIPAA are extensive and potentially confusing. We are happy to assist you in whatever way we can and will work with you over the next few months as you begin to submit claims using the approved codes/modifiers. As always, should you have any questions, please contact us at 1-888-581-3648.