

April 25, 2003

Dear Dr.

Thank you for your letter regarding the electronic billing information flyer sent to your office by NHIC, the Medicare Part B carrier for the state of California. We apologize for any confusion this flyer may have caused.

You are correct in stating that there are exemptions to the electronic billing requirement included in the Administration Simplification Compliance Act (ASCA). Even though that was indicated in the first sentence of our flyer, we are sorry that we did not list those exemptions. We have revised the flyer to include the two that apply for Medicare Part B providers:

- Physician, practitioner, facility, or supplier with fewer than 10 full-time equivalent employees, or
- No method available for the submission of claims in an electronic form.

We are in the process of obtaining clarification on those two exemptions from the Centers for Medicare & Medicaid Services (CMS). We have been informed by CMS that the third exemption (a provider of services with fewer than 25 full-time equivalent employees) applies for Medicare Part A providers.

As we continue to receive the CMS-approved interpretations of these exemptions, we will notify our providers. At this point it is important that providers are aware of the electronic submission requirement effective October 16, 2003. Therefore, if they do not qualify for an exemption, they will have the time necessary to either acquire the HIPAA-compliant software, or contract with a billing service or clearinghouse to submit their claims electronically for them.

Again, thank you for your letter. We always invite and appreciate your comments and questions.

Sincerely,

Carol Martin
EDI Analyst
cc: Ron Schelldorf, EDI Supervisor

NHIC

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A CMS CONTRACTED CARRIER