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## **Health Care Administrative Simplification Act (ASA), Minnesota Statutes, sections 62J.51 – 62J.61, amended during the 2008 session of the Minnesota Legislature.**

### **A. Overview**

[Chapter 305 of 2008 Minnesota Laws](#) amends the Minnesota Health Care Administrative Simplification Act (ASA) in three ways, with:

- technical and clarifying changes to the ASA (see [Chapter 305, sections 1-6, of 2008 Minnesota Laws](#);
- a new, limited, criteria-based, one-year exception to rules requiring the standard, electronic exchange of health care administrative transactions (see additional information below); and
- a new complaint-based approach to ensure compliance with requirements for the standard, electronic exchange of health care transactions. The mechanism is based on federal compliance requirements and emphasizes technical assistance and cooperation with providers and payers (see additional information below).

### **B. New, limited, criteria-based, one-year exception to rules requiring the standard, electronic exchange of health care administrative transactions**

[Chapter 305, section 7](#), of 2008 Minnesota Laws (to be codified as Minnesota Statutes, section 62J.536, subd. 4) authorizes the Commissioner of Health to exempt group purchasers not covered by HIPAA (group purchasers not covered under United States Code, title 42, sections 1320d to 1320d-8) from one or more of the requirements to exchange information electronically as required by Minnesota Statutes, § 62J.536 if the Commissioner determines that:

- i. a transaction is incapable of exchanging data that are currently being exchanged on paper and is necessary to accomplish the purpose of the transaction; or
- ii. another national electronic transaction standard would be more appropriate and effective to accomplish the purpose of the transaction.

If group purchasers are exempt from one or more of the requirements, providers shall also be exempt from exchanging those transactions with the group purchaser.

#### **B. 1. Commissioner determination of limited exception to rules**

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a) The Commissioner has determined that criterion (i) above has been met for the eligibility inquiry and response electronic transaction and that group purchasers not covered by HIPAA, including workers' compensation, auto, and property and casualty insurance carriers, are not required to comply with these rules. This exception pertains only to those group purchasers not covered by HIPAA and only for the rules for the eligibility inquiry and response electronic transaction (ANSI ASC X12 270/271). This exception shall be reviewed on an annual basis. The next review is scheduled for October 1, 2009.

While the exception above is in effect, health care providers are also exempt from the rules for transactions with group purchasers who have been exempted. This exception is only for the rules for the eligibility inquiry and response electronic transaction (ANSI ASC X12 270/271) with group purchasers not covered by HIPAA.

b) The Commissioner has determined that the criteria above are not met for health care claims transactions and that all health care providers and group purchasers are required to comply with the rules for the standard, electronic exchange of health care claims. No exception to the rules for health care claims transactions has been granted.

**C. New complaint-driven compliance mechanism of requirements of Minnesota Statutes 62J.536**

[Chapter 305, section 8, of 2008 Minnesota Laws](#) (to be codified as Minnesota Statutes, section 62J.536, subd. 5) provides for new compliance and enforcement provisions for Minnesota Statutes, section 62J.536 and its related rules for the electronic, standard, exchange of health care administrative transactions.

These provisions apply to all health care providers and group purchasers per statute, except those exempted above, on the effective dates for the rules as follows:

Health Care Administrative Transaction	Effective Date
Eligibility inquiry and response transaction	January 15, 2009
Claims (Professional, Institutional, Dental, and Pharmacy)	July 15, 2009
Payment/remittance advice	December 15, 2009

**The focus of the compliance effort is through voluntary cooperation with payers and providers and technical assistance.** In summary, the recently enacted compliance specifications provide that:

- A person who believes a health care provider or group purchaser is not complying with the rules may file a complaint with the Commissioner of Health;
- The Commissioner may investigate complaints and may conduct compliance reviews to determine whether health care providers and group purchasers are complying with the law;
- If an investigation of a complaint indicates noncompliance, the Commissioner will attempt to reach a resolution of the matter by informal means. Informal means may include demonstrated compliance or a completed corrective action plan or other agreement;
- If the matter is not resolved by informal means, the Commissioner will inform the health care provider or group purchaser and provide an opportunity to submit written evidence of any mitigating factors or other considerations;
- If, after an investigation or a compliance review, the Commissioner determines that further action is not warranted, the Commissioner will inform the health care provider or group purchaser and, if the matter arose from a complaint, the complainant, in writing;
- The Commissioner may impose a civil money penalty if it is determined that a health care provider or group purchaser has violated the law. If it is determined that more than one health care provider or group purchaser was responsible for a violation, a civil money penalty may be imposed against each health care provider or group purchaser.
- The amount of a civil money penalty shall be up to \$100 for each violation, but not exceed \$25,000 for identical violations during a calendar year.
- In determining the amount of any civil money penalty, the Commissioner may consider as aggravating or mitigating factors, as appropriate;
- If a penalty is proposed, the Commissioner must deliver, or send by certified mail with return receipt requested, to the respondent written notice of the intent to impose a penalty;
- A health care provider or group purchaser may contest whether the finding of facts constitute a violation of this section, according to a contested case proceeding as set forth in statute;
- Any data collected by the Commissioner as part of an active investigation or active compliance review are classified as protected nonpublic data;
- Civil money penalties imposed and collected will be deposited into a revolving fund and are appropriated for the purposes of the enforcement provisions, including the provision of technical assistance.