stratford notes

Many people have been asking us to sign papers relating to our Y2K compliance. We have also been receiving many faxes, emails and even (old fashioned) letters asking about whether payments will be interrupted after January 1, 2000.

Of course, there is no way we would have any knowledge regarding payments from the many payers. We only know what they tell us.

Almost all (if not all) payers now accept 4 digit years with electronic transmissions. If you now transmit most of your claims, you should be OK after the first of the year.

We know of very few private payers that can accept 4 digit years with paper claims at this time. Since we expect most private payers to begin accepting 4 digit years on paper claims before the end of the year, there will probably be a "crunch" to get out several updates to our customers in the fall. We have a software switch in our software now that will allow many of our customers who are "computer literate" to turn on the 4 digit years. If you are able to download files from the Internet, we should be able to keep you updated as various payers begin requiring changes for the paper claims.

 We believe that Medicare is well along in their Y2K compliance. As far as we know, all Medicare contractors in all states now accept the 4 digit year in all electronic claim transmissions and there are no problems related to Y2K issues.

Most people do not realize how big the "Y2K" job is for the federal government. At this time there are more than 60 external Medicare contractors who operate and maintain a base of software programs that process nearly one billion claims each year from more than one million doctors, hospitals, and health care providers. HCFA expects to finish end-to-end testing of the claims process through its entire network of systems in the spring of 1999 and then use the rest of 1999 to re-certify its systems, fix any remaining problems and take any corrective action that might be needed.

Stratford was fully tested for Y2K compliance by several Medicare contractors more than two years ago. Stratford was re-tested (and passed) for some new issues in January of 1999. •

You can find Stratford's Internet server at this address:

Stratford has more than **3,800** licensed users

FROM THE EDI CORNER ......

If you are interested in automatic posting of payments and adjustments from the ANSI X.12 electronic EOB, please fax to Stratford (650) 692 1073.

If you transmit to Medicare in the ANSI format, you can receive your EOB electronically (eEOB). For nearly three years the Stratford program has been able to convert this eEOB into a human-readable report that can be used for manually posting write-offs as well as payments and adjustments. Now, you can use the Stratford program to convert this report into electronic transactions and automatically post them to your patient accounts.

If you transmit to Medicare in the NSF format and you want to convert to ANSI, please fax to (650) 692 1073. •

MEDICAL SERVICE CHARGES

HCFA has determined that 54% of the cost of the encounter is not related to the physician service. Less than half the value of any E/M code has to do with the "physician piece". The increased value of

a new patient code over an established patient code has to do with overhead expense of establishing the patient. •

SLOW-POKE FINES

New York State has a law that states health insurers must pay patients and providers on a timely basis. Specifically an undisputed claim must be paid within 45 days. In the past month fourteen health insurers and HMOs were cited and fined $115,000. In January twelve HMOs were fined $72,000. All but four of the companies were repeat offenders. The New York state insurance department has handled more than 28,000 complaints since the law took effect in January 1998. •

Y2K STORIES

New Jersey food-stamp recipients received an early April Fools' joke in March when a computer glitch credited their account early.

Engineers for Human Services were testing the Y2K compliance of their system with a new software upgrade. In the midst of the shuffle, food-stamp credits that were supposed to be issued April 1, 1999 went into the system as having been issued April 1, 1999.

About 90 percent of New Jersey's 200,000 welfare recipients were affected by the error. •

EDI "per-claim" charges
Stratford does not have any "per-claim" or other charges related to transmitting claims to Medicare or any other carrier. We only charge (optional) for providing software support.

ANSI X.12 XML

If you read this newsletter every month, you know that we fully support the ANSI X.12 formats for electronic claims. We have had customers transmitting a large number of claims in this format since April 1994. Stratford is one of the first three companies to be approved by NEIC for ANSI transmissions.

Medicare has mandated version 4010 of the ANSI X.12 formats for all future electronic claims. The federal government has mandated that all payers and clearinghouses (private and public) accept the ANSI format in the future.

The ANSI format is very good for electronic healthcare claims because it is a variable length format that wastes very little space. When compared to the old, outdated National Standard Format, the same number of claims can be put in a much smaller file. This is important because it takes less time to transmit (smaller phone bills) and the receiving system can store the claims in a smaller space and usually process the claims faster.

The main problem with the ANSI X.12 transaction sets that are now being used is that they are difficult to extend. While they are much easier to change than the old "flat file" formats used in the past, they still require a "patch" or even a new segment definition.

A new type of variable length format is now being proposed by the people who create the ANSI X.12 specifications. This

format is XML. XML means eXtensible Markup Language syntax. When you see this language printed on paper it resembles the HTML language used in most Internet web sites. The commands (non-visible) are put inside greater than/less than symbols <>.

The really big advantage that this language has is that it is very easy to extend. Like the present ANSI formats, it is made up of only ANSI characters, which means it can be printed on paper and viewed with an ordinary text editor that is found on all computers.

This format is also being investigated by the HL7 committees. The HL7 format is commonly used to exchange information between different computer systems.

Another reason why XML will probably become very popular is that Microsoft has adopted it. All of the newer Microsoft applications such as those in the new Office 2000 are fully XML compliant.

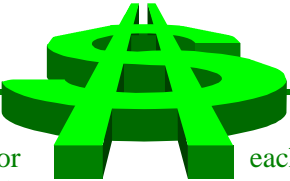Stratford is now looking for a trading partner to develop an input/output interface. •

SOFTWARE SUPPORT NOTES

1 **Faxed requests for support get <u>Priority</u> <u>Service</u>.**

2 **If you send a fax with a description of the problem, your call is given priority over other faxes**.

3 **Do not call more than one time. The second call places your first call at the bottom of our callback list.**
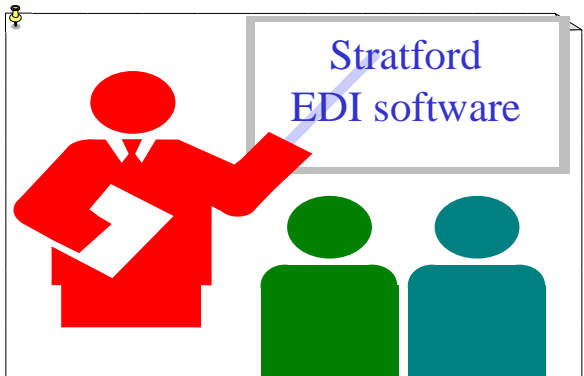
We can receive many calls in the first few hours each day. It usually is not possible for us to have a technical support person waiting to take your call. If you just call and leave the message "please call", your call is placed at the bottom of the callback list. We must do everything we can to avoid "phone-tag". Hand-written faxes can be almost impossible to read, so please type them whenever possible. Include the best time to call you.

At this time we can deliver support by email. If you check your email each day, you may find this to be easier than faxing us. This is not very good support if you need a quick answer. We do not get very many support email messages so we only check the mail two or three times each day. As the volume increases, we will put more resources into email.

We are interested in hearing from people who would like to receive support by email. •

Stratford will pay you $100 for each person* you refer who purchases Stratford Software at full price ($895). Simply fax or write to give us your referral. **We must receive the referral notice in advance of the sale**. **We cannot pay for a referral if you notify us after the sale.**
*<u>Subject to restrictions</u>

Stratford
EDI software

INTERNET RESOURCES

Subject: Y2K Internet sites.

HCFA has a web site specifically for Y2K issues:
`http://www.hcfa.gov/y2k`

Callers to 1-800-958-HCFA (1-800-958-4232) will be able to get answers to
Y2K questions that relate to medical supplies, their facilities and business operations as well as referrals for more specific billing information. The toll-free line will also update callers on HCFA's Y2K policies and provide general assistance to help callers prepare their own computer systems for the millennium.