South Carolina Medicaid
Trading Partner Agreement for
Electronic Claims and Related Transactions

I. General

The Trading Partner identified on the *SC Medicaid Trading Partner Agreement Enrollment Form* agrees to the terms and conditions of this Trading Partner Agreement (TPA).

II. Purpose

A. This TPA outlines the requirements for the electronic transfer of protected health information (PHI) between the Trading Partner and the South Carolina Department of Health and Human Services (SCDHHS).

B. The Trading Partner is in the business of submitting said electronic transactions on behalf of itself as a provider or as a billing agent for a provider(s).

C. The exchange of information is for the purpose of allowing Trading Partners to conduct electronic transactions for health care services provided to Medicaid beneficiaries of the SCDHHS. This TPA provides for the exchange of information between these entities necessary for the processing of such transactions. These transactions must be in accordance with the American National Standards Institute (ANSI) accredited standards and in compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996, CFR 45 Parts 160 and 162, Standards for Electronic Transactions, published in the Federal Register August 17, 2000.

D. The Trading Partner is prohibited from transferring PHI received from SCDHHS for any purpose not expressly permitted by and related to paragraphs II A, B, and C above.

III. Provisions of the TPA

A. The Trading Partner agrees to follow the SCDHHS Provider billing guidelines for the submission of Health Care Claim transactions.

B. All transactions must be formatted in accordance with the HIPAA Implementation Guides available at http://www.wpc-edi.com/hipaa. SCDHHS Medicaid Companion Guides, which specify certain situational data elements necessary for SCDHHS, are available at http://www.dhhs.state.sc.us. HIPAA transactions to be exchanged between the Trading Partner and SCDHHS are identified in the SC Medicaid Technical Communications User's Manual.

C. The Trading Partner must complete testing for each of the transactions it will implement and shall not be allowed to exchange data with SCDHHS in production mode until testing is satisfactorily passed as determined by SCDHHS. Successful testing means the ability to successfully pass HIPAA compliance checking and to process PHI transmitted by Trading Partner to SCDHHS. SCDHHS will accept certification from any third-party testing and certification entity that has been identified by the Workgroup for Electronic Data Interchange, Strategic National Implementation Process (WEDI/SNIP) in lieu of a Trading Partner being tested by SCDHHS. Such certification must be at least level 4 as defined by WEDI.

D. The Trading Partner warrants and represents that it has a legally binding contract between itself and all providers for whom it is submitting data or that the Trading Partner is itself a provider authorized to submit claims and receive health care information for beneficiaries who have coverage for services by the SCDHHS.

E. SCDHHS and the Trading Partner will protect the PHI contained in the exchange of information by means of both physical and electronic security measures.

1. Each entity will control access to its physical locations so that only authorized personnel have access to the information.
2. Each entity will utilize passwords in accordance with established procedures so that only authorized personnel have knowledge of those passwords. Upon departure of personnel from employment, the Trading Partner will promptly or immediately notify SCDHHS so that a new password can be established. SCDHHS will establish a similar system for departure of its own employees.
3. Each entity will report to the other any violation of security and/or the release of PHI that is not in accordance with this Agreement.
4. Technical rules for the electronic transfer of PHI between the Parties can be found in the SC Medicaid Technical Communications User's Manual.

IV. Electronic Media Billing

This section applies specifically to Providers and sets forth the necessary procedures for submitting claims electronically. The Provider agrees:

A. To submit claims directly or only through a business agent as defined in 42 CFR 447.10(f) which states:

"Payment may be made to a business agent, such as a billing service or an accounting firm, that furnishes statements and receives payments in the name of the provider, if the agent's compensation for the service is (1) Related to the cost of processing the billing; (2) Not related on a percentage or other basis to the amount that is billed or collected; and (3) Not dependent upon the collection of the payment." The Provider understands that, in accordance with 42 CFR 447.10(h) "Payment for any service furnished to a recipient by a provider may not be made to or through a factor, either directly or by power of attorney." "Factor" means an individual or an organization, such as a collection agency or service bureau, that advances money to a provider for accounts receivable that the Provider has assigned, sold or transferred to the individual organization for an added fee or a deduction of a portion of the accounts receivable." (42 CFR 447.10 (b)). Further "payment may be made in accordance with a reassignment from the provider to a government agency or reassignment by a court order." (42 CFR 447.10 (e)).

B. That if the Provider decides to utilize a business agent to submit claims, Provider must authorize the business agent by written contract to submit Medicaid claims in its behalf.

C. To furnish a copy of the aforementioned contract to SCDHHS or its designee upon request.

D. To assure that claims are submitted in the format specified by SCDHHS and to submit test claims for approval by SCDHHS prior to submitting claims for payment.

E. To assure that a transmittal letter is submitted as specified by SCDHHS along with each cartridge/tape/diskette.

F. To correct any and all discrepant claims submitted.

G. To maintain and ensure ready association of electronic claims with source documents, including but not limited to: (1) a signed statement from the patient consenting to the release of information necessary to process claims; (2) justification for rendering services; (3) identification of practitioner rendering services; (4) records corroborating that the services furnished were the same services contained in the claim; and (5) documentation proving that a claim was submitted electronically, by whom it was submitted and when it was submitted.

H. To retain all records for a period of seventy-two (72) months after the close of the federal fiscal year in which the services were rendered.

I. That SCDHHS, the United States Department of Health and Human Services, General Accounting Office, the State Auditor, the Attorney General, or their designees, have the right to audit and confirm information submitted and to access and/or photograph source documents and medical records during regular business hours.

J. That any incorrect payments ascertained as a result of such an audit will be adjusted according to applicable provisions of Title XIX of the Social Security Act as amended, the S.C. State Plan for Medical Assistance, other applicable State and Federal laws and regulations, and SCDHHS Medicaid guidelines.

K. That the submission of an electronic media claim is a claim for Medicaid payment and that "payment of this claim will be from Federal and State funds, and that any falsification, or concealment of a material fact may be prosecuted under Federal and State Laws." (42 CFR 455.18(a)(2)).

L. That certain claims may not be submitted electronically and that SCDHHS has the sole authority to determine which claims may or may not be submitted electronically.

M. That under certain circumstances, SCDHHS may require prepayment review of claims and that the Provider will be notified in writing of the SCDHHS's intent to conduct prepayment review during which time electronic claims will not be accepted.

N. That this TPA in no way exempts the Provider from being subject to all other Medicaid regulations in effect at the time the Provider submits a claim.

O. To safeguard and require, in the Provider’s written contract with its business agent, that its business agent shall safeguard the use and disclosure of information concerning Medicaid recipients in accordance with all applicable Federal and State laws and regulations. The Provider understands that, in accordance with 42 CFR 431.305(b), "this information must include at least (1) name and address; (2) medical services provided; (3) social and economic conditions or

circumstances; (4) agency evaluation of personal information; and (5) medical data, including diagnosis and past history of disease or disability."

P. To be responsible for all services rendered, charges billed, and reimbursement received.

V. Confidentiality

A. The Trading Partner agrees during the term of this TPA, and for a period of six (6) years thereafter, to use the same means it uses to protect confidential proprietary information (including PHI), but in any event not less than reasonable means to prevent the disclosure and to protect the confidentiality both when:

1. Written information received from SCDHHS is marked or identified as confidential.
2. Oral or visual information identified as confidential at the time of disclosure is summarized in writing and provided to the Trading Partner in such written form promptly after such oral or visual disclosure.

B. The foregoing shall not prevent the Trading Partner from disclosing PHI that belongs to the Trading Partner or is:

1. Already known by the recipient entity without an obligation of confidentiality other than under this TPA.
2. Publicly known or becomes publicly known through no unauthorized act of the recipient Party.
3. Rightfully received from a third party.
4. Independently developed by Trading Partner without use of SCDHHS's PHI.
5. Approved by SCDHHS for disclosure.