

*Original publication date: September 2011  
Reformatted and links updated: March 2025*

## **IMPLEMENTATION AND COMPLIANCE UPDATE #6**

**January 1, 2012 Compliance Deadline for:**

# **Updated Minnesota Health Care Administrative Simplification Requirements**

## **Intended Audience and Purpose**

This update is particularly for health care providers, group purchasers (payers), and clearinghouses, as well as billing services, other vendors, and any interested parties. It summarizes a Minnesota law and related rules that became effective in 2009 and are in force at this time, as well as more recent statutory requirements and rules with a compliance date of January 1, 2012.

These regulations apply generally to: health care providers providing services for a fee in Minnesota; group purchasers (payers) that are licensed or doing business in Minnesota; and health care clearinghouses acting as agents of or on behalf of providers and group purchasers. More detailed information can be found in the “Applicability” section.

## **Background**

[Minnesota Statutes, chapter 62J, section 536 \(www.revisor.mn.gov/statutes/cite/62J.536\)](http://www.revisor.mn.gov/statutes/cite/62J.536) was enacted in 2007 to bring about health care administrative simplification and cost reduction. The law required certain health care administrative transactions between health care providers and group purchasers (payers) must be exchanged electronically, using a single, uniform data content and format that has been adopted into rule, known as the “Minnesota Uniform Companion Guide.” These rules became effective in 2009 and are in force at this time.

In 2009 and 2010, the rules were updated and expanded to comply with federal regulations and to better meet market needs. As a result of these changes, the rules will also apply to health care clearinghouses, and include requirements for the electronic, standard exchange of an additional transaction, acknowledgments. The updated rules have a compliance date of January 1, 2012 and will replace previous versions.

## **Compliance Deadline of January 1, 2012**

Updated Minnesota Uniform Companion Guide rules for the following ANSI ASC X12 v5010 and NCPDP D.Ø transactions have the force of law starting January 1, 2012:

- Eligibility inquiries and responses (ANSI ASC X12 270/271)
- Health care claims (ANSI ASC X12 837I, 837P, 837D, and NCPDP D.Ø)
- Payment and remittance advices (ANSI ASC X12 835)
- Acknowledgments (ANSI ASC X12 999, TA1, 277CA)

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Starting January 1, 2012, health care clearinghouses must also:

- Make available tracking mechanisms for providers and payers to determine if health care claims and/or remittance advices were delivered
- Connect electronically in a timely manner with any entity willing and capable of meeting the standard business terms and conditions of the clearinghouse and any applicable laws and regulations
- Provide and make available information as required by the Minnesota Commissioner of Health

### Applicability

Minnesota Statutes, chapter 62J, section 536 and related rules apply to:

- All health care providers providing services for a fee in Minnesota and who are otherwise eligible for reimbursement under the state's Medical Assistance program, including licensed nursing homes, boarding homes, and home care providers pursuant to Minnesota Statutes, chapter 62J, section 536, subd. 2
- All group purchasers (payers) as defined in Minnesota Statutes, chapter 62J, section 536, subd. 6, that are licensed or doing business in Minnesota. The law covers a variety of insurance carriers, including workers' compensation, property-casualty, and auto carriers, as well as Third Party Administrators and others
- Health care clearinghouses. As result of amendments to Minnesota Statutes, chapter 62J, section 536 enacted in May 2010, starting January 1, 2012, provisions of the law apply to health care clearinghouses as defined in [Minnesota Statutes, chapter 62J, section 51, subd. 11a \(www.revisor.mn.gov/statutes/cite/62J.51\)](http://www.revisor.mn.gov/statutes/cite/62J.51)

Minnesota Statutes, chapter 62J, section 536 and related rules do not apply to:

- Transactions with Medicare
- The exchange of the Eligibility Inquiry and Response transaction (270/271) with payers not covered by federal HIPAA regulations (workers' compensation, auto, and property-casualty carriers)

### Compliance and Enforcement

The Minnesota Department of Health ensures compliance with the statute and related rules. We are committed to working with the industry to help identify and address problems or barriers to achieving the goals of more standard, efficient administrative transactions. Please contact us with information, updates, or suggestions to help achieve these goals.

Minnesota Statutes, chapter 62J, section 536 provides that:

- MDH is to achieve voluntary compliance to the extent practicable, and may provide technical assistance
- Enforcement will be complaint-driven

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- MDH may investigate complaints, and is to seek informal resolution of complaints, for example, through demonstrated compliance or a completed corrective action plan or other agreement
- If informal resolution is not possible, MDH may impose civil money penalties of up to \$100 for each violation, but not to exceed \$25,000 for identical violations during a calendar year
- Mitigating factors, such as whether attempts are being made to come into compliance, may be considered in determining any penalties
- If a fine is levied, it may be appealed, or a contested case hearing requested

### Note

- MDH will receive and act upon all complaints of noncompliance pursuant to statute
- Priority in responding to complaints will initially be given to:
  - Complaints in which patients may be at risk for adverse health or financial consequences
  - Indications of egregious and/or large scale violations
  - Indications of repeated or long-standing noncompliance
  - All others in the order in which they were received
- In enforcing Minnesota's requirements for standard, electronic transactions, MDH will be especially interested in:
  - Whether good faith efforts are being made to comply, and meaningful evidence of good faith efforts
  - The extent of compliance efforts
  - Progress toward compliance

### Additional Resources and Information

- [Health Care Administrative Simplification \(www.health.state.mn.us/facilities/ehealth/asa\)](http://www.health.state.mn.us/facilities/ehealth/asa)
- [Minnesota Administrative Uniformity Committee \(www.health.state.mn.us/facilities/ehealth/auc\)](http://www.health.state.mn.us/facilities/ehealth/auc)
- [CMS Administrative Simplification \(www.cms.gov/priorities/key-initiatives/burden-reduction/administrative-simplification\)](http://www.cms.gov/priorities/key-initiatives/burden-reduction/administrative-simplification)

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September 2011