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*Commissioner*

**BULLETIN NO. 03-10**

**TO: ALL NEW JERSEY HEALTH INSURANCE COMPANIES;  
HOSPITAL SERVICE CORPORATIONS; MEDICAL SERVICE  
CORPORATIONS; HEALTH SERVICES CORPORATIONS;  
HEALTH MAINTENANCE ORGANIZATIONS; DENTAL  
SERVICE CORPORATIONS; DENTAL PLAN  
ORGANIZATIONS; PREPAID PRESCRIPTION SERVICE  
ORGANIZATIONS; ORGANIZED DELIVERY SYSTEMS; AND  
OTHER INTERESTED PARTIES**

**FROM: HOLLY C. BAKKE, COMMISSIONER**

**RE: ELECTRONIC RECEIPT AND TRANSMISSION OF HEALTH  
CARE CLAIM INFORMATION - COMPLIANCE WITH UNITED  
STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FINAL ELECTRONIC TRANSACTION STANDARDS**

In August 1996, the Federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 (Pub. L. 104-191, codified at 42 U.S.C. 1320d et seq.) was enacted to improve the efficiency and effectiveness of the health care system. HIPAA included provisions requiring the United States Department of Health and Human Services (HHS) to adopt national standards for electronic health care transactions. By ensuring consistency throughout the industry, these national standards were intended to make it easier for health plans, doctors, hospitals and other health care providers to process claims and other transactions electronically. HIPAA required health plans, health care clearinghouses, and health care providers who conduct certain financial and administrative transactions electronically to comply with the HHS final standards. In August 2000, HHS issued final electronic transaction standards to streamline the processing of health care claims, reduce the volume of paperwork and provide better service for providers, insurers and patients. HHS adopted modifications to some of those standards in a Final Rule published on February 20, 2003 (45 CFR Part 162). The new standards establish standard data

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content, codes and formats for submitting electronic claims and other administrative health care transactions. The deadline for all covered entities to comply with the HHS final rules regarding electronic data transaction standards and code sets is October 16, 2003.

P.L. 1999, c. 154, the Health Information Electronic Data Interchange Technology Act (HINT) (codified at N.J.S.A. 17B:30-23 et seq.), requires the Department of Banking and Insurance (Department) Commissioner, in consultation with the Department of Health and Senior Services, to establish a timetable for the implementation of electronic handling of health benefit claims by payers, as well as standards for enrollment and claims forms, in accordance with standards developed by HHS pursuant to HIPAA. The Department's regulations at N.J.A.C. 11:22-3 set forth these timetables and standards.

Following enactment of HINT, the Department also brought together a diverse team of industry representatives and others to develop New Jersey-based testing recommendations with specific transaction and code set standards that comply with New Jersey State HINT and Federal HIPAA regulations. The Department acknowledges the efforts of the HIPAA/HINT Statewide Implementation Task Force (Task Force) and the substantial contribution it has made in the furtherance of the deployment of HIPAA electronic transaction standards. These experts joined together in an extensive voluntary effort to develop workable protocols, agreements and standards for the use of HIPAA electronic claim transactions. The Task Force created two subcommittees, a Standards Subcommittee to recommend standards where applicable, and a Testing Subcommittee to develop testing protocols specific to New Jersey.

While October 16, 2003 is the Federal deadline for electronic health care transactions and code sets compliance, certain components and data elements of HIPAA compliant claims ("837 claims") have not yet been identified fully or promulgated by HHS. In order to address these deficiencies, the Task Force developed Consensus Companion Guides for use with 837 claims transactions and for the testing process of HINT/HIPAA transaction and code sets in New Jersey. The purpose of this Bulletin is to notify affected parties of the currently appropriate industry standards for the testing and use of HIPAA electronic transactions, as follows:

1. The DOBI 837P Consensus Companion guide for the handling of HIPAA 837 electronic claims forms filed by providers;
2. The DOBI 837I HIPAA electronic 837 claims form used by institutions;  
and
3. The DOBI HIPAA/HINT transaction and code sets testing guide.

These documents can be found at the Department's website at [www.njdobi.org/hint.htm](http://www.njdobi.org/hint.htm)

Amendments to the Department's regulations at N.J.A.C. 11:22-3 will be promulgated following the adoption of final versions of the electronic transaction and code sets by HHS.

May 1, 2003  
Date

/s/ Holly C. Bakke  
Holly C. Bakke, Commissioner

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