



HIPAA Transaction  
Standard Companion Guide

**ASC X12N Version 005010X212**  
**277 Health Care Information Status Notification**

## **Preface**

This Companion Document to the ASC X12N Implementation Guides adopted under HIPAA clarifies and specifies the data content when exchanging electronically with MagnaCare. Transmissions based on this companion document, used in tandem with the X12N Implementation Guides, are intended to be compliant with both X12 syntax and those guides. This Companion Guide is intended to convey information that is within the framework of the ASC X12N Implementation Guides adopted for use under HIPAA. The Companion Guide is not intended to convey information that in any way exceeds the requirements or usages of data expressed in the Implementation Guides.

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# 1 Introduction

## 1.1 Scope

This Companion Guide is intended to support the implementation of a batch processing application. MagnaCare will accept inbound submissions that are formatted correctly in X12 terms. The files must comply with the specifications outlined in this companion document as well as the corresponding HIPAA implementation guide. MagnaCare Electronic Data Interchange (EDI) applications will edit for these conditions and reject files that are out of compliance. This companion document will specify everything that is necessary to conduct EDI for this standard transaction.

This includes:

- Communications link specifications
- Submission methods specifications
- Transaction specifications

## 1.2 Overview

This document is intended to compliment the ASC X12N implementation guide currently adopted from HIPAA. It is compliant with the corresponding HIPAA implementation guides in terms of data element and code standards and requirements. It will be the vehicle that MagnaCare uses with its Clients to further qualify the HIPAA-adopted implementation guides.

Data elements that require mutual agreement and understanding will be specified in this companion guide. Types of information that will be clarified within this companion are;

- Qualifiers that will be used from the HIPAA implementation guides to describe certain data elements
- Situational segments and data elements that will be utilized to satisfy business conditions
- Client profile information for purpose of establishing who we are trading with for the transmissions exchanged

## 1.3 References

### ASC X12N Implementation Guides

1. Health Care Claim Status Notification
  - 277U (005010X212)

## 1.4 Additional Information

Electronic Data Interchange (EDI) is the computer-to-computer exchange of formatted business data between Clients, without human intervention. MagnaCare maintains a dedicated staff for the purpose of enabling and processing X12 EDI transmissions with its Clients. It is the goal of MagnaCare to establish Client relationships and to conduct EDI as opposed to paper information flows whenever and wherever possible.

## 2 Before you begin

### 2.1 Important information

Clients will be working with two units within MagnaCare to implement EDI transactions:

- MagnaCare EDI Business support unit will serve as the Client's central point of contact. This group will also facilitate the implementation of Clients through all steps of external testing. This group will coordinate closely with MagnaCare EDI team who will be accepting and translating data on behalf of MagnaCare.
- MagnaCare corporate EDI IT group is a centralized technical team that implements the communication link and facilitates the acceptance or rejection of a Client's EDI. This group maintains the EDI translator maps. They will also handle all issues relating to files that were accepted from our translator and moved forward to MagnaCare for processing.

### 2.2 Registration

To register as a Client with MagnaCare, you will need to do the following:

1. Initial conversations are held between the Client and MagnaCare.
2. Verbal agreements are reached as to the transactions that will be conducted.
3. A companion guide is provided and reviewed.
4. Submitter Id and Receiver Id is established for the purpose of identification.
5. Required Client profiling is built into our EDI translator.
6. Test files are exchanged and test runs conducted.
7. Once the testing phase is completed, the Client is registered.

### 2.3 Testing Overview

MagnaCare require their Clients to do validations and test at their end or using third party certification such as Claredi so that the process to test and implement a Client for the purpose of conducting EDI with standard transactions is smooth and efficient.

The complexity of X12 files when not tested and certified by a third party will cause delays in the ability to enable the X12 submissions in a production environment.

MagnaCare wants to spend the majority of the testing period time, working with prospective Clients on the agreed components of this companion document rather than X12 or HIPAA implementation guide syntax.

## 3 Testing Procedures

MagnaCare would like to establish a set of scenarios intended for testing with the Client. It should be a representation at a high level or cross section of the majority of conditions that will be encountered with production data from these transactions.

### 3.1 Phases of Testing

MagnaCare requires testing to be completed with all Clients. The testing phase will consist of several smaller phases of testing, as appropriate.

#### 3.1.1 Syntactic Testing

MagnaCare uses an industry standard data translator, REDIX to validate transactions and to translate them into an acceptable format for internal processing. The 997 acknowledgement will be tested during this phase. Any issues identified during this phase of testing will have to be addressed in order for subsequent phases to continue.

#### 3.1.2 Compliance Testing

Client specific setup, as defined in the companion guide will be verified. Generally, this will be done in conjunction with Syntactic testing.

#### 3.1.3 Scenario Testing

This will normally involve all possible business scenarios to be tested.

#### 3.1.4 Volume Testing

This will involve testing large Claim files. We would like to receive claim files with 50 claims each.

### 3.2 Testing Process

The following summarizes the testing process:

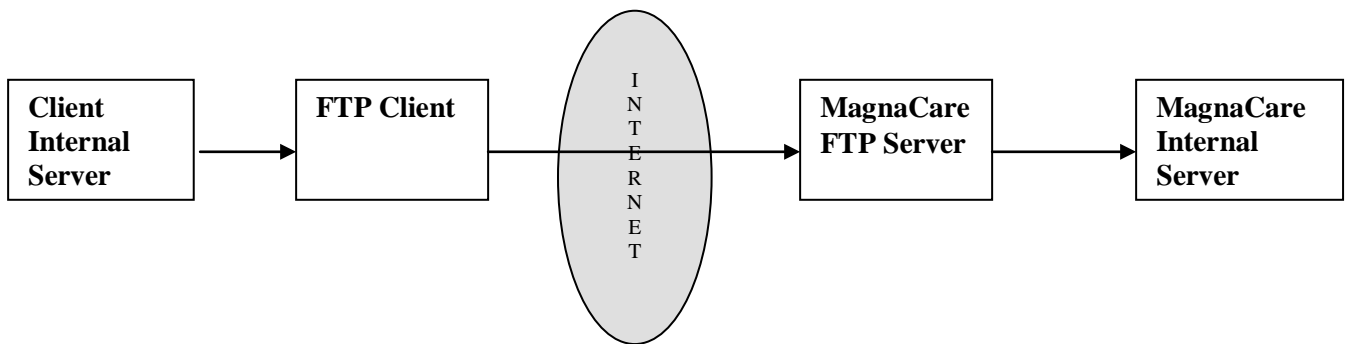
- 1 After initial contacts and agreements are made, Client will provide MagnaCare with its EDI certification.
- 2 Next, the Client will provide the MagnaCare HIPAA project manager with one or more files of the X12N formatted sample data, and samples of all relevant business scenarios.
- 3 MagnaCare HIPAA project manager will translate the files and then upload to the MagnaCare core system. Error messages or diagnostics will be relayed to the Client. This process will proceed by iteration until all parties are satisfied.
- 4 Once format issues are settled, the communication protocols are similarly implemented and tested.
- 5 Once the technical requirements have been settled and documented in the companion guide and it's Appendix, the Client and MagnaCare will sign off on the companion guide and move the transaction into production.

## 4 Transfer of Information

### 4.1 Data Transfer

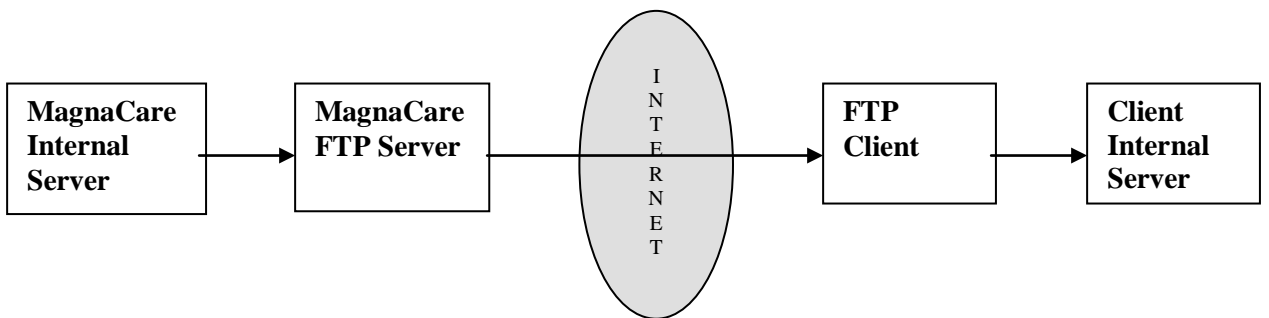
Data can be exchanged with MagnaCare via FTP over the Internet where the file is encrypted, sent over the Internet and then decrypted. For data inbound to MagnaCare (see Figure 1A), the Client would encrypt the data on an internal server, transfer it using FTP Client to MagnaCare's FTP server. MagnaCare will then move the encrypted file from MagnaCare's FTP server to an internal server where the file is decrypted and forwarded for processing.

**Figure 1A**  
**Encrypted Data sent over the Internet from Client to MagnaCare FTP Server**



MagnaCare data sent to Client (see Figure 1B). MagnaCare will generate the X12 data file and encrypt it. Once encrypted, the file will be sent to MagnaCare's FTP server. At that time, the Client can retrieve the file, transfer it to their internal system using FTP client, decrypt it and process it.

**Figure 1B**  
**Encrypted Data sent over the Internet from MagnaCare FTP Server to Client**



## 4.2 Administrative Transmission Procedures

As part of the process establishing the relationship, MagnaCare and the Client must exchange certain technical information.

The requested information will include:

1. Contacts: business, data and communications
2. Dates: testing, production
3. File information; size, naming
4. Transfer; schedule, protocol
5. Server information; host name, user ID, password, file location, file name
6. Notification; failure, success

### 4.2.1 Re-transmission procedures

When a file needs to be re-transmitted, the Client will contact their primary Account Management contact at MagnaCare.

## 4.3 Specification of Communication Protocol

The following items are required from the Client in order to exchange data with MagnaCare utilizing FTP server over the Internet.

1. Internet Connectivity; Client should consider a broadband connection for large files.
2. Computer with FTP client and connectivity to the Internet.
3. PGP software for encryption/decryption. RSA (or Legacy) keys must be generated and exchanged with MagnaCare via e-mail (public keys only).
4. E-mail capability to exchange configuration and testing information.

Initial setup will include confirming FTP connectivity, exchanging PGP public keys and performing end-to-end communications testing. Before sending data to MagnaCare, the data must be encrypted with PGP and then sent to the MagnaCare FTP using the FTP client over the Internet connection. When receiving data from MagnaCare, the FTP client will be used to get the data from the MagnaCare FTP server after which PGP will be used to decrypt the data.

MagnaCare provides following three connectivity options to establish interface with its servers.

1. MagnaCare offers FTP over SSL with explicit encryption. SSL (Secure Socket Layer) FTP provides reliable encryption for both the user login, and transferred files.
2. SFTP (Secure File Transfer Protocol) is based on SSH2 (Secure Shell 2). SFTP provides comprehensive protection for a user's data, ID, and password by establishing a secure channel for file transfers. MagnaCare recommends SFTP for small-to-medium size file transfers whenever possible.
3. VPN (Virtual Private Network) is the fourth connectivity option available to larger clients with extensive data interchange needs. VPN allows a user to connect directly to MagnaCare's LAN via a controlled access point. The VPN protocol is used to establish a secure data tunnel between MagnaCare and a client or vendor, where large numbers of



files are to be transferred periodically. If appropriate, VPN access must be pre-arranged, and configured with MagnaCare's IT Dept.

#### **4.4 Passwords**

MagnaCare requires the use of User IDs and Passwords to access its systems and servers and will assign each Client a unique User ID and password when using MagnaCare server. In the event a Client forgets their password, MagnaCare will change the password after verifying the authenticity of the request.

#### **4.5 Encryption**

MagnaCare requires the encryption of data that is exchanged via the Internet or any other public network. MagnaCare utilizes Gnu PGP encryption with 1024 or 2048 bit keys for file encryption.

#### **4.6 FTP Server**

MagnaCare FTP server can be reached using the DNS name <ftp://itbbs.magnacare.com> . MagnaCare highly recommend using the DNS name rather than the IP address of the server, as we have more than one FTP server available to meet our Disaster Recovery needs.

### **5 Business Rules and Specifications**

- Numeric fields should not be zero padded.
- Fields should not be space padded except ISA segment.
- All monetary amounts are to include decimal points with two positions allowed to the right of the decimal point to represent cents.
- Specific field descriptions may be found in the detailed file layout section of this Companion Guide. Although some elements are situational, MagnaCare may require them and may also require a specific value.

### **6 Additional Requests**

If requested, 997 Acknowledgement will be sent so the Client will get confirmation that we received their submission.

## 7 Transaction Specification

### 7.1 Control Segments

#### 7.1.1 ISA - INTERCHANGE CONTROL HEADER

Element	ELEMENT DEFINITION	Values	Description
ISA01	AUTHORIZATION INFORMATION QUALIFIER	00	No Authorization Information Present
ISA02	AUTHORIZATION INFORMATION		[space fill]
ISA03	SECURITY INFORMATION QUALIFIER	00	No Security Information Present
ISA04	SECURITY INFORMATION		[space fill]
ISA05	INTERCHANGE ID QUALIFIER	ZZ 30	Mutually Defined U.S. Federal Tax Identification Number
ISA06	INTERCHANGE SENDER ID	11-3038233	Tax ID
ISA07	INTERCHANGE ID QUALIFIER	ZZ 30	Mutually Defined U.S. Federal Tax Identification Number
ISA08	INTERCHANGE RECEIVER ID	[Receiver's ID]	[Receiver's ID]
ISA09	INTERCHANGE DATE	YYMMDD	Date of interchange
ISA10	INTERCHANGE TIME	HHMM	Time of interchange
ISA11	INTERCHANGE CONTROL STANDARDS IDENTIFIER	^	Repetition separator
ISA12	INTERCHANGE CONTROL VERSION NUMBER	00501	Draft Standards approved by ASCX12
ISA13	INTERCHANGE CONTROL NUMBER	Assigned by sender	Must be identical to the interchange trailer IEA02
ISA14	ACKNOWLEDGMENT REQUEST	0	No Acknowledgment Requested
ISA15	USAGE INDICATOR	P or T	P = Production, T = Test
ISA16	COMPONENT ELEMENT SEPARATOR		“:”

#### 7.1.2 IEA – INTERCHANGE

Element	ELEMENT DEFINITION	Values	Description
IEA01	NUMBER OF INCLUDED FUNCTIONAL GROUPS		Number of included Functional Groups
IEA02	INTERCHANGE CONTROL NUMBER	Assigned by Sender	Must be identical to the value in ISA13

### 7.1.3 GS – FUNCTIONAL GROUP HEADER

Element	ELEMENT DEFINITION	Values	Description
GS01	FUNCTIONAL IDENTIFIER CODE	HN	Health Care Claim Status Notification (277)
GS02	APPLICATION SENDER'S CODE	Must be identical to the value in ISA06	Must be identical to the value in ISA06
GS03	APPLICATION RECEIVER'S CODE	Must be identical to the value in ISA08	Must be identical to the value in ISA08
GS04	DATE	CCYYMMDD	creation date
GS05	TIME	HHMM	Creation time
GS06	GROUP CONTROL NUMBER		Assigned and maintained by the sender
GS07	RESPONSIBLE AGENCY CODE	X	Accredited Standards Committee X12
GS08	VERSION/RELEASE/INDUSTRY IDENTIFIER CODE	005010X212	Version/Release/Industry Identifier Code

### 7.1.4 GE – FUNCTIONAL GROUP TRAILER

Element	ELEMENT DEFINITION	Values	Description
GE01	NUMBER OF TRANSACTION SETS INCLUDED		Number of Transaction Sets Included
GE02	GROUP CONTROL NUMBER	Assigned by Sender	Must be identical to the value in GS06

### 7.1.5 ST – TRANSACTION SET HEADER

Element	ELEMENT DEFINITION	Values	Description
ST01	TRANSACTION SET IDENTIFIER CODE	837	Health Care Claim
ST02	TRANSACTION SET CONTROL NUMBER		The transaction set control numbers in ST02 and SE02 must be identical. This number must be unique within a specific group and interchange
ST03	IMPLEMENTATION CONVENTION REFERENCE	005010X212	Implementation Guide Version Name

### 7.1.6 SE – TRANSACTION SET TRAILER

Element	ELEMENT DEFINITION	Values	Description
SE01	TRANSACTION SET IDENTIFIER CODE		Total number of segments included in a transaction set including ST and SE segments.
SE02	TRANSACTION SET CONTROL NUMBER	Assigned by Sender	The transaction set control numbers in ST02 and SE02 must be identical. This number must be unique within a specific group and interchange.

### 7.1.7 VALID DELIMITERS FOR MAGNACARE EDI

Definition	ASCII	Decimal	Hexadecimal
Segment Separator	\n (New Line)	13	
Element Separator	*	42	2A
Compound element Separator	:	58	3A

## 7.2 277 File Layout

Loop Name	Loop ID	Segment	HIPAA Data Element Name	Valid Values And/or Comments
A	B	C	D	E
Transaction Structure		BHT03	Originator Application Transaction Identifier	Same as ISA013
		BHT05	Transaction Set Creation Time	HHMM format <b>Note: in 5010 usage changed from not used to required</b>
		BHT06	Transaction Type Code	'DG' Response
Payer Name NM101='PR'	2100A	NM103	Payer Name	Payer Office Name
		NM108	Identification Code Qualifier	'PI' Payer ID
		NM109	Identification Code Qualifier	Four Digit Code assigned by MagnaCare for each Client.
Information Receiver Name NM101='41'	2100B	NM102	Entity Type Qualifier	'2' Entity
		NM108	Identification Code	'46' Electronic Transmitter Identification Number (ETIN)
		NM109	Identification Code	MagnaCare Internal PPA #
Information Receiver Trace Identifier	2200B	TRN		MagnaCare will not be using this Segment at this level <b>NOTE: new segment in 5010</b>
Information Receiver Status Information	2200B	STC		MagnaCare will not be using this Segment at this level <b>NOTE: new segment in 5010</b>
Provider Name NM101 = '1P'	2100C	NM102	Entity Type Qualifier	'1' Person '2' Entity
		NM103	Name Last or Organization Code	Pay-to-Provider Last Name or Office Name as stored on MagnaCare Provider File
		NM104	Name Last or Organization Code	Pay-to-Provider First Name as stored on MagnaCare Provider File
		NM108	Identification Code Qualifier	'FI' Federal Tax ID Qualifier
		NM109	Identification Code	Federal Tax ID
Provider of Service Trace Identifier	2200C	TRN		MagnaCare will not be using this Segment at this level <b>NOTE: new segment in 5010</b>
Provider Status Information	2200C	STC		MagnaCare will not be using this Segment at this level <b>NOTE: new segment in 5010</b>
Subscriber Name	2000D/E	NM101	Entity Identifier Code	'IL' Insured/Subscriber <b>'QC' Patient (if patient is not the Subscriber then only QC will be used)</b>
		NM102	Entity Type Qualifier	'1' Person
		NM108	Entity Identifier Code	'MI'
		NM109	Entity Identifier	Policy ID
Claim Status Tracking Number TRN01=2	2200D/E	TRN02	Reference Identification	MagnaCare Claim number
Claim Level Status Information	2200D/E	STC01	Status Information	Please see U277 Reference Guide for Reason Codes
		STC02	Date	Date Status Report Generated
		STC04	Total Charges	Total Provider Charges
		STC05	Amount Paid	Amount Paid or must be Zero if the adjudication process is not complete.
		STC06	Date	Date of denial or Payment.
		STC07	Payment Method	<b>NOTE: In 5010 usage changes to Not used. In 4010A1 MagnaCare use to send "ACH/BOP/CHK/FWT/NON"</b>
		STC08	Date	Check Date/ EFT Effective Date
STC09	Check Number	Check/EFT Trace Number		
Payer Claim Control Number REF01 = '1K'	2200D/E	REF02	Reference Identification	Payer Claim number submitted on the 837 (REF*D9 on 837). If REF*D9 is not present on the claim then list Patient Control Number.

Loop Name	Loop ID	Segment	HIPAA Data Element Name	Valid Values And/or Comments
Medical Record Identification REF01 = 'EA'	2200D/E	REF02	Reference Identification	Patient Control Number submitted on the 837. <b>Note: Delete from 5010. MagnaCare will not be using this Segment at this level!</b>
Patient Control Number REF01='EJ'	2200D/E	REF02	Reference Identification	Patient Control Number submitted on the 837. <b>NOTE: New in segment 5010</b>
Claim Service Date	2200D/E	DTP01	Date Time Qualifier	'232' – Claim Statement Period Start '472' Service <b>NOTE: In 5010 '232' code has been replaced by '472'</b>
		DTP02	Date Time Period Format Qualifier	<b>D8 – CCYMMDD format</b> RD8 – CCYMMDD-CCYMMDD format
		DTP03	Date Time Period	Claim Service Dates
Service Line Information	2220E	SVC01	Medical Proc Identifier	'HC' - HCPCS Code:CPT Code: Modifier1:Modifier2:Modifier3
		SVC02	Line Charge	Claim Line Charge
		SVC03	Amount Paid	Amount Paid for the Line
		SVC07	Units	Units on the claim. Default value is '1' <b>NOTE: In 5010 usage changed from situational to required</b>
Service Line Status Information	2220E	STC01	Status Information	Please see U277 Reference Guide for Reason Codes
		STC02	Date	Date Status Report Generated
		STC04	Line Item Charge Amount	<b>NOTE: In 5010 usage changed from situational to not used</b>
		STC05	Amount Paid	<b>NOTE: In 5010 usage changed from situational to not used</b>
Service Line Date	2220E	DTP01	Date Time Qualifier	'472' Service
		DTP02	Date Time Period Format Qualifier	<b>D8 – CCYMMDD format</b> RD8 – CCYMMDD-CCYMMDD format
		DTP03	Date Time Period	Service Line Date

## 8 Appendix

### A. Implementation Checklist

The following task list should be completed to facilitate a smooth implementation of the EDI process.

<b>TASK</b>	<b>Responsibility</b>	<b>Date</b>
<input type="checkbox"/> Establish Standard ISA and GS information	Client & MagnaCare	
<input type="checkbox"/> Confirm business rules	Client & MagnaCare	
<input type="checkbox"/> Determine communication method	Client & MagnaCare	
<input type="checkbox"/> Set up the encryption process	Client & MagnaCare	
<input type="checkbox"/> Establish a schedule for testing	Client & MagnaCare	
<input type="checkbox"/> Complete testing	Client & MagnaCare	
<input type="checkbox"/> Sign off on Companion Guide	Client & MagnaCare	
<input type="checkbox"/> Production cut-over	Client & MagnaCare	