

SUBCHAPTER 14H – CERTIFICATION OF STATEWIDE DATA PROCESSORS

SECTION .0100 - CERTIFICATION OF STATEWIDE DATA PROCESSOR

10A NCAC 14H .0101 PURPOSE

This Section sets forth the process and requirements for obtaining certification as a statewide data processor.

*History Note: Authority G.S. 131E-214.1(6);
Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.*

10A NCAC 14H .0102 DEFINITIONS

- (a) The definitions set forth in G.S. 131E-214.1 shall apply to this Section.
- (b) As used in this Section:
 - (1) "Applicant" means a party applying to the Division for certification as a statewide data processor.
 - (2) "HCFA" means the Health Care Financing Administration of the U.S. Department of Health and Human Services, or any successor agency.
- (c) All references in this Section to the "HCFA 1500" and "HCFA 1450" claim forms, include references to their successor forms that are developed pursuant to federal law under the auspices of HCFA, the National Uniform Billing Committee, or the North Carolina State Uniform Billing Committee.

*History Note: Authority G.S. 131E-214.1(6);
Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.*

10A NCAC 14H .0103 REQUIREMENTS FOR CERTIFICATION

A party desiring to be certified as a statewide data processor shall make a written application to the Division that complies with the following requirements:

- (1) The applicant must make a satisfactory showing that it is capable of making available annually to the Division, at no charge, a report which compares the 35 most frequently reported charges of the hospitals and freestanding ambulatory surgical facilities reporting patient data to the applicant during the calendar year. Each annual report shall be due to the Division within 180 days after the end of the calendar year.
- (2) The applicant must make a satisfactory showing that it is capable of receiving from hospitals and freestanding ambulatory surgical facilities throughout the State the patient data elements specified in Items (3) through (5) of this Rule.
- (3) With regard to patient data concerning inpatients discharged by hospitals, the applicant must make a satisfactory showing that is capable of compiling and maintaining a uniform set of data from the patient data which shall include the following HCFA 1450 (UB-92) data elements for every inpatient discharged regardless of payor:

| | DATA ELEMENT | DESCRIPTION |
|-----|-------------------------------|---|
| (1) | Patient Control Number | Form Locator 3 - As stated in the North Carolina HCFA 1450 Manual |
| (2) | Bill Type | Form Location 4 - As Stated in the North Carolina HCFA 1450 Manual |
| (3) | Provider Identification | |
| (A) | Medicaid Base Provider Number | The number assigned to the provider by Medicaid or as assigned by the |

| | DATA ELEMENT | DESCRIPTION |
|------|--|---|
| | | certified statewide data processor (for batching only) |
| (B) | Federal Tax Number | Form Locator 5 - As stated in the North Carolina HCFA 1450 Manual |
| (4) | Zip Code of Patient Address | Form Locator 13 - Only the zip code portion of this field is required. Code as stated in the North Carolina HCFA 1450 Manual |
| (5) | Patient Birth Date | Form Locator 14 - As stated in the North Carolina HCFA 1450 Manual |
| (6) | Patient Sex | Form Locator 15 - As stated in the North Carolina HCFA 1450 Manual |
| (7) | Admission Date | Form Locator 17 - As stated in the North Carolina HCFA 1450 Manual |
| (8) | Admission Type | Form Locator 19 - As stated in the North Carolina HCFA 1450 Manual |
| (9) | Source of Admission | Form Locator 20 - As stated in the North Carolina HCFA 1450 Manual |
| (10) | Patient Status | Form Locator 22 - As stated in the North Carolina HCFA 1450 Manual |
| (11) | Discharge Date (Statement Covers Period) | Form Locator 6 - As stated in the North Carolina HCFA 1450 Manual |
| (12) | All Revenue Codes and Associate Charges | Forms Locators 42 and 47 - As stated in the North Carolina HCFA 1450 Manual |
| (13) | Payer Identification | Form Locator 50a - Classifications code and specific carrier identification code for primary payer |
| (14) | Certificate/Social Security/Health | Form Locator 60a - As stated in the Insurance Claim/Identification Number North Carolina HCFA 1450 Manual |
| (15) | Insurance Group Number | Form Locator 62a - As stated in the North Carolina HCFA 1450 Manual |
| (16) | Principal Diagnosis | Form Locator 67 - As stated in the North Carolina HCFA 1450 Manual |
| (17) | Other Diagnoses 8 | Form Locators 68-75 - As stated in the North Carolina HCFA 1450 Manual |
| (18) | External Cause of Injury Code (E Code) | Form Locator 77 - As stated in the North Carolina HCFA 1450 Manual/whenever the principal diagnosis is an injury, poisoning or adverse effect |
| (19) | Principal Procedure and Date | Form Locator 80 - As stated in the North Carolina HCFA 1450 Manual |
| (20) | Other Procedures and Dates | Form Locator 81a-e - As stated in the North Carolina HCFA 1450 Manual |
| (21) | Attending Physician Identification | Form Locator 82 - Only the UPIN is required. Code as stated in the North Carolina HCFA 1450 Manual |
| (22) | Other Physician Identification | Form Locator 83 - Only the UPIN is required. Code as stated in the North |

| | DATA ELEMENT | DESCRIPTION |
|--|--------------|---------------------------|
| | | Carolina HCFA 1450 Manual |

- (4) With regard to patient data concerning ambulatory surgery patients released from hospitals and freestanding ambulatory surgical facilities, the applicant must make a satisfactory showing that it is capable of compiling and maintaining a uniform set of data from the patient data which shall include the following HCFA 1450 (UB-92) data elements for every ambulatory surgical patient released regardless of payor:

| | DATA ELEMENT | DESCRIPTION |
|------|--|--|
| (1) | Patient Control Number | Form Locator 3 - As stated in the North Carolina HCFA 1450 Manual |
| (2) | Bill Type | Form Locator 4 - As stated in the North Carolina HCFA 1450 Manual |
| (3) | Provider Identification | |
| (A) | Medicaid Base Provider Number | The number assigned to the provider by Medicaid or as assigned by the certified statewide data processor (for batching only) |
| (B) | Federal Tax Number | Form Locator 5 - As stated in the North Carolina HCFA 1450 Manual |
| (4) | Zip Code of Patient Address | Form Locator 13 - Only the zip code portion of this field is required. Code as stated in the North Carolina HCFA 1450 Manual |
| (5) | Patient Birth Date | Form Locator 14 - As stated in the North Carolina HCFA 1450 Manual |
| (6) | Patient Sex | Form Locator 15 - As stated in the North Carolina HCFA 1450 Manual |
| (7) | Admission Date | Form Locator 17 - As stated in the North Carolina HCFA 1450 Manual |
| (8) | Admission Type | Form Locator 19 - As stated in the North Carolina HCFA 1450 Manual |
| (9) | Source of Admission | Form Locator 20 - As stated in the North Carolina HCFA 1450 Manual |
| (10) | Patient Status | Form Locator 22 - As stated in the North Carolina HCFA 1450 Manual |
| (11) | Discharge Date (Statement Covers Period) | Form Locator 6 - As stated in the North Carolina HCFA 1450 Manual |
| (12) | All Revenue Codes and Associated Charges | Form Locators 42 and 47 - As stated in the North Carolina HCFA 1450 Manual |
| (13) | Payer Identification | Form Locator 50a - Classification code and specific carrier identification |
| (14) | Certificate/Social Security/Health | Form Locator 60a - As stated in the Insurance Claim/Identification Number North Carolina HCFA 1450 Manual |
| (15) | Insurance Group Number | Form Locator 62a - As stated in the North Carolina HCFA 1450 Manual |
| (16) | Principal Diagnosis | Form Locator 67 - As stated in the North Carolina HCFA 1450 Manual |
| (17) | Other Diagnoses | 8 Form Locators 68-75 - As stated in the North Carolina HCFA 1450 |

| | DATA ELEMENT | DESCRIPTION |
|------|--|---|
| | | Manual |
| (18) | External Cause of Injury Code (E-Code) | Form Locator 77 - As stated in the North Carolina HCFA 1450 Manual/whenever the principal diagnosis is an injury, poisoning or adverse effect |
| (19) | Principal Procedure and Date | Form Locator 80 - As stated in the North Carolina HCFA 1450 Manual |
| (20) | Other Procedures and Dates | Form Locators 81a-e - As stated in the North Carolina HCFA 1450 Manual |
| (21) | Attending Physician Identification | Form Locator 82 - Only the UPIN is required. (Code as stated in the North Carolina HCFA 1450 Manual |
| (22) | Other Physician Identification | Form Locator 83 - Only the UPIN is required. Code as stated in the North Carolina HCFA 1450 Manual |

- (5) With regard to patient data concerning ambulatory surgery patients released from hospitals and freestanding ambulatory surgical facilities, the application must make a satisfactory showing that it is capable of compiling and maintaining a uniform set of data from the patient data which shall include the following HCFA 1500 data elements for every ambulatory surgical patient released regardless of payor:

| | |
|------|--|
| (1) | Payer Identification |
| (2) | Insured's ID Number |
| (3) | Patient's Date of Birth |
| (4) | Gender of Patient |
| (5) | Zip Code of Patient Address |
| (6) | Diagnosis or Nature of Illness or Injury (1-4) |
| (7) | Dates of Service |
| (8) | Place of Service |
| (9) | Type of Service |
| (10) | Procedures, Services, and Supplies (including modifiers if applicable) |
| (11) | Charges |
| (12) | Days or Units |
| (13) | Federal Tax ID |
| (14) | Patient's Account Number |
| (15) | Total Charge |
| (16) | Attending Physician's UPIN Number |
| (17) | Medicaid Base Provider Number or Number Assigned by Certified Statewide Data Processor |

- (6) The applicant must make a satisfactory showing that it is capable of examining the patient data it receives for accuracy, informing the hospital or freestanding ambulatory surgical facility submitting the patient data of all potential errors in the patient data which are discovered as a result of the examination for accuracy, and correcting the patient data as directed by the hospital or freestanding ambulatory surgical facility. An applicant shall be deemed to have satisfactorily shown that it is capable of examining patient data for accuracy if the applicant has made a satisfactory showing that it is capable of designating a record as an error record when:
- (a) A record reported on a HCFA 1450 (UB-92) form contains an invalid or all-blank field for any of the following HCFA 1450 (UB-92) data elements: Patient Control Number, Bill Type, Federal Tax I.D., Zip Code, Date of Birth, Sex, Admission Date, Admission

- Type, Source of Admission, Patient Status, Statement Covers Period, Revenue Codes and Charges, Primary Payer, Principal Diagnosis, Attending Physician Identification.
- (b) A record reported on a HCFA 1500 form contains an invalid or all-blank field for any of the following HCFA 1500 data elements: Payor Identification, Insured's I.D. Number, Federal Tax I.D., Zip Code, Date of Birth, Sex, Dates of Service, Place of Service, Type of Service, Procedures Defined with CPT-HCPCS Code with Modifiers, Principal Diagnosis Codes, Principal and Secondary Surgical Procedure, Patient's Account Number, Attending Physician Identification.
 - (c) The sum indicated by the data element concerning total charges does not equal the sum of all other charges reported on the record.
 - (d) An inpatient record reported on a HCFA 1450 (UB-92) contains any of the following data elements which contain an invalid code: Other Diagnoses, Principal Procedure Code and Date, Other Procedure Codes and Dates, External Cause of Injury Code, Other Physician Identification (if a procedure was performed).
 - (e) An ambulatory surgical patient record reported on a HCFA 1450 (UB-92) form contains any of the following data elements which contain an invalid code: Other Diagnoses, Other Procedure Codes and Dates, External Cause of Injury Code.
- (7) The applicant shall make satisfactory showing that it is capable of:
 - (a) compiling reports from patient data which shall further the purposes of the Medical Care Data Act, as set forth in G.S. 131E-214(b), such as reports enabling a review and comparison of charges, utilization patterns, and quality of medical services;
 - (b) producing such reports at least on a calendar quarter basis, with reports concerning patients discharged or released during a specific calendar quarter being published at least within 180 days after the end of said calendar quarter;
 - (c) making such reports available upon request to all interested persons at a reasonable charge.
 - (8) The applicant shall make a satisfactory showing that it is capable of ensuring that adequate measures will be taken to provide system security for all data and information received from hospitals and freestanding ambulatory surgical facilities.
 - (9) The applicant shall make a satisfactory showing that it is capable of protecting the confidentiality of patient records and complying with applicable laws and regulations concerning patient confidentiality, including the confidentiality of patient-identifying information, and that it shall not disclose patient-identifying information unless:
 - (a) the information was originally submitted by the party requesting disclosure; or
 - (b) the State Health Director requests specific individual records for the purpose of protecting and promoting the public health under G.S. 130A, and the disclosure is not otherwise prohibited by federal law or regulation.

The applicant shall also make a satisfactory showing that it shall make such records available to the State Health Director at a reasonable charge.

History Note: Authority G.S. 131E-214.1(6);
 Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
 Eff. February 1, 1996;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.

10A NCAC 14H .0104 APPLICATION REVIEW

The Division shall notify each applicant of the Division's decision concerning the applicant's request for certification as a statewide data processor within 90 days after the Division has received the applicant's written application unless the Division notifies the applicant that the review has been extended. If any portion of an application lacks certain information or is unclear, the Division may request additional information or clarification from the applicant during the review period; provided, however, that the Division is not required to request such additional information or clarification, and the Division may deny certification on the basis that the application lacks information or is unclear.

History Note: Authority G.S. 131E-214.1(6);

Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.

10A NCAC 14H .0105 PERIOD OF CERTIFICATION

An applicant who demonstrates through its application that it presently is performing each of the requirements specified in 10A NCAC 14H .0103 (with the exception of the requirement of making annual reports to the Division found in 10A NCAC 14H .0103(1), and the requirement of disclosing data to the State Health Director found in 10A NCAC 14H .0103(9), for which requirements the applicant needs only to make a satisfactory showing that it is capable of performing the requirements), shall be certified as a statewide data processor for a period of three years. An applicant who demonstrates through its application that it is capable of performing each of the requirements specified in 10A NCAC 14H .0103 but who presently is not performing each of the requirements specified in 10A NCAC 14H .0103(2)-(9)(excluding the requirement in 10A NCAC 14H .0103(9) to disclose data to the State Health Director), shall be granted a certificate for a one year period. If within that one year period the applicant makes a satisfactory showing to the Division by written application that it then is performing all of the requirements specified in 10A NCAC 14H .0103, the applicant shall be granted certification as a statewide data processor for an additional two year period.

History Note: Authority G.S. 131E-214.1(6);
Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.

10A NCAC 14H .0106 STANDARDS FOR REFUSAL, SUSPENSION OR REVOCATION OF CERTIFICATION

A certificate applied for or issued under this Chapter may be refused, suspended, or revoked by the Division if the Division determines that the applicant or statewide data processor cannot or does not perform the requirements specified in 10A NCAC 14H .0103 and G.S. 131E-214.4.

History Note: Authority G.S. 131E-214.1(6);
Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.

10A NCAC 14H .0107 FAILURE TO TIMELY RENEW

A certificate issued under this Chapter shall be automatically suspended by the Division after a failure to renew the certificate for a period of more than three months after the renewal date.

History Note: Authority G.S. 131E-214.1(6);
Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.

10A NCAC 14H .0108 PROCEDURE

Except as otherwise provided in this Chapter, the procedure for revocation, suspension, or refusal of certification shall be in accordance with the provisions of G.S. 150B.

History Note: Authority G.S. 131E-214.1(6);

Temporary Adoption effective October 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.