

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

IN REPLY, PLEASE
REFER TO:

August 20, 2002

CIRCULAR LETTER NO.: C-A-06-1660-2002

TO ALL DISABILITY INSURERS, HEALTH MAINTANANCE ORGANIZATIONS, AND NON-PROFIT ASSOCIATIONS THAT SUBSCRIBE INSURANCE IN PUERTO RICO

Re: Compliance with HIPAA Electronic Transaction and Code Sets Rule

Ladies and Gentlemen:

In August of 1999, the United States Department of Health and Human Services (HHS) published final regulations under the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). These regulations set forth uniform standards for the electronic exchange of administrative and financial health care transactions.

The final regulations require covered entities and their business partners engaged in covered electronic data interchange to comply with the new standards beginning October 16, 2002. However, under the Administrative Simplification Compliance Act of 2001, said deadline was extended until October 16, 2003, for most entities, conditioned upon the filing of a compliance plan with HHS by the original compliance date.

The purpose of this Circular Letter is to seek information on your company's preparedness for compliance with the HIPAA Electronic Transaction and Code Sets Rule (ETCSR). Enclosed, please find a questionnaire to be completed and returned to:

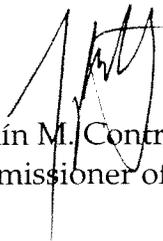
Office of the Commissioner of Insurance
P.O. Box 8330
San Juan, Puerto Rico 00910-8330

The enclosed questionnaire is being sent to all insurance companies and health plans writing accident and health business in the Commonwealth of Puerto Rico. The completed questionnaire should be submitted to the address above **on or before September 20, 2002.**

If your company does not consider itself subject to the regulations, please return the questionnaire marked "N/A", accompanied by an explanation as to why the company is not subject to the regulations.

All disability insurers, health maintenance organizations and non-profit associations are hereby required to observe strict compliance of the requirements set forth in this Circular Letter.

Sincerely,



Fermin M. Contreras Gómez
Commissioner of Insurance

Enclosures

HIPAA ELECTRONIC TRANSACTIONS AND CODE SETS RULE
Planning Questionnaire

This survey is intended to assist the Department in determining whether health insurers are adequately preparing for the electronic transaction and code sets rule (ETCSR) established by the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (collectively referred to as HIPAA). HIPAA sets forth uniform standards for the electronic exchange of administrative and financial health care transactions. HIPAA establishes national standards for certain healthcare claims and payment transactions, as well coding standards for reporting diagnoses and procedures. The implementation of these standards will require significant software upgrades and company resources.

Company _____

NAIC Company Code _____

For individual responsible for compliance with HIPAA Electronic Transaction and Code Sets Rule:

Name _____
Title _____
Phone number _____

For the individual serving as the contact person for this questionnaire:

Name _____
Title _____
Phone number _____

1. Has the company or its parent established a committee or appointed a project manager or other contact person for compliance with HIPAA?

Yes _____ Date established _____

No _____

If yes, please explain the components and mission of the committee.

Please indicate the name, telephone, fax number, and e-mail of the project manager or contact person regarding HIPAA compliance issues.

2. Does the company intend to request an extension of the October 16, 2002, compliance date, as allowed by the Administrative Simplification Compliance Act of 2001?

**HIPPA ELECTRONIC TRANSACTIONS AND CODE SETS RULE
Planning Questionnaire**

CERTIFICATION

I ____ (Name and Title) ____ hereby file this certification on behalf of ____
(Name of Company) ____ and certify that the information provided herein is
true and accurate to the best of my knowledge, information and belief. I further
certify that I am authorized to execute this certified statement on behalf of ____
(Name of Company ____).

(Signature)