

HIPAA 005010 Road to Success

A Prescription for a Healthy and Successful ASC X12 005010 Implementation

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Provider Survey on 005010 / ICD-10 Progress

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ASC  **12**

The Accredited Standards Committee

HIMSS Survey

- Baseline Survey Conducted in November 2009
- Addressed 005010 and ICD-10 in Separate Questions
- Responses = 56
 - 79% Hospital / IDN
 - 21% Practice / Clinic
- Reported to CMS and NCVHS in December
- Next Survey Planned for April 2010
- Why a Survey?

HIT Perfect Storm: Mid- 2010 to Mid-2012



005010/ICD-10 Project

- **We Asked:** What level of project planning (initiated, specific plan, resourced) has occurred for 005010 / ICD-10
- **General Finding:** Only 12% of providers have a 005010 project formally initiated.
- **Specifically:**
 - 29% will initiate project in next six months
 - 26% expect to start project within the next year
 - 24% have no plans or timeline for project start-up
- **ICD-10:** Slightly behind 005010 with only 9% having initiated project
- **Conclusion:** Providers are viewing 005010 as a 2010 or later project, suggesting that many will be challenged to meet the 1/1/2011 Level I compliance date

005010/ICD-10 Approach

- **We Asked:** What approach will you take to achieving 005010 / ICD-10 compliance?
- **General Finding:** Most providers (56%) will upgrade or replace their patient accounting / practice management system to achieve compliance
- **Specifically:**
 - 9% will replace as part of implementing an EHR
 - 12% will rely on clearinghouse services
 - 23% have not determined approach
- **ICD-10:** Larger number of “don’t knows” (35%)
- **Conclusion:** A significant number of providers have identified their approach 005010.

005010/ICD-10 Competing Initiatives

- **We Asked:** What competing initiatives may significantly impede your ability to meet the 005010/ICD-10 compliance dates.
- **General Finding:** Almost 2 of 3 providers (63%) identified EHR or other technology projects as competing for resources with 005010.
- **Specifically:**
 - 53% indicated business initiatives / projects were competing
 - 40% indicated other Federal/State compliance initiatives were competing
- **ICD-10:** Similar to 005010 findings but some providers (19%) cited the 005010 initiative itself as competing with ICD-10
- **Conclusion:** A major challenge for providers is the “perfect storm” of competing initiatives that are distracting their 005010/ICD-10 efforts.

005010/ICD-10 Obstacles

- **We Asked:** What obstacles do you expect to encounter in your 005010/ICD-10 efforts?
- **General Finding:** Almost 2 of 3 providers (63%) identified a lack of internal/external resources and/or knowledgeable resources as the primary obstacle to meeting compliance dates for 005010
- **Specifically:**
 - 49% need more information around compliance requirements
 - 40% are concerned about limited financial resources
 - 14% concerned that vendors won't be ready
- **ICD-10:** Similar to 005010 findings but more concern about vendor capabilities (28%)
- **Conclusion:** Access to qualified and knowledgeable staff is the most pressing concern, yet other obstacles may take precedence.

Conclusions

- Providers are aware of 005010 but appear to be focused on the Level II compliance deadline than actual changes required
- Many providers may not be ready to meet the Level I compliance deadline of 1/1/2011. Most are still assessing the requirements of 005010, and few have detailed plans and budgets.
- Most providers will be upgrading or replacing their current systems, with some relying on clearinghouse services
- EHR and other system implementations are major competing initiatives closely followed by business initiatives
- Major provider obstacle: lack of knowledgeable resources. Lack of understanding required changes and financial resources are also major concerns.

ASC X12 005010

Global Changes Across All Transactions

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Overview

- Why Move to New Versions Now?
- Why 005010?
- What Changed?
 - Types of Changes
 - General Changes Across All Transactions

g1

Slide 11

g1

This subject should be removed since it has been moved to the end of the presentation.

ggs01a, 3/26/2010

Why Move to New Versions?

- Current HIPAA ASC X12 Transactions
 - Published over 8 years ago
 - Implemented over 6 years ago
- Address implementation issues related to underlying X12 004010 standard
 - National standard used by cross industry groups
 - Health care functions not supported by standard configuration
 - 278 implementations require significant workarounds, e.g. drugs
 - Health care functions not available using the standard
 - No one requested business functionality during 004010 development
 - New business needs do not fit current standard implementations

Why Move to 005010?

- Hundreds of industry-requested changes were received, processed via the Designated Standards Maintenance Organizations (DSMO)
 - Approximately 500 resulted in changes to subsequent version(s)
- Many industry-requested changes were submitted directly to the X12N Work Groups
- Improvements to implementation instructions are designed to achieve:
 - More specifics within implementation guide instructions
 - Notes are clearer, remove ambiguity
 - No gray areas
 - Intended results:
 - More consistent implementations by trading partners
 - Reduction in Trading Partner Companion Guide requirements

What Changed?

- Types of Changes Across All Transactions
 - Educational/Instructional
 - Cosmetic
 - Technical/Structural
 - Business Usage

Types of Changes Across All Transactions

- Educational and Informational
 - Front Matter
 - Reformatted for consistency across all guides
 - Content clarified and improved, to correct 004010A1 ambiguities
- Cosmetic
 - Presentation formatting changes
 - No substantive content change

Types of Changes Across All Transactions *(continued)*

- Technical/Structural
 - Consistent data representation across all transactions
 - A patient is defined the same in the claim, eligibility, etc.
 - Implementation Guide presentations as discrete data vs. multi-functional data segments
 - Addition/modification/removal of structural format elements
- Business Usage
 - Added new business functions
 - Modified business functions to improve efficiency
 - Removed business functions no longer needed

General Changes Across All Transactions

- Front Matter Standardized
- Situational Rule Formatting
 - Specific format – Technical
 - Content clarified and improved
 - Corrects ambiguities in 004010A1, e.g. definition of *should* vs. *must*
- Code Sets Updates
 - Added capability to report ICD-10 Diagnosis and Procedure Codes
 - Technical/Structural

HIPAA 005010 Implementation: The First Steps ‘Planning, Assessment, Building & Internal Testing’

**Betsy Clore
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Wake Forest University Physicians, Wake Forest University Baptist Medical Center

- An academic health system comprised of Wake Forest University Physicians, North Carolina Baptist Hospital, and Wake Forest University Health Sciences
- Operates School of Medicine for Wake Forest University with over 700 medical faculty members
- 1,069 acute care and rehabilitation beds
- Ranked as one of “America’s Best Hospitals” by U.S. News & World Report since 1993
- 200 physicians ranked in “Best Doctors”

Step 1 – Educate Yourself About 005010 Transactions

- Implementation of first HIPAA transactions convinced us that involvement in developing transaction standards was important to educate ourselves and influence the next HIPAA version
- WFUHS has participated actively in ASC X12 since becoming a member in 2005
- Gained better understanding of 004010 transactions and changes in 005010 version and beyond
 - Workgroup discussions promote mutual understanding of EDI problems and needs among various industry sectors

Step 1 – Educate Yourself *(continued)*

- Contributed to 005010 development and submitted comments during public review periods
 - Comments to the NPRM are good, but almost too late. Since work is already done, changes are difficult. Important to review draft guides during ASC X12 public comment period, and make comments at that time.
 - Participate early in the process for best chance to influence . During early development in EDI groups, add voice to straw man votes, ask questions, give provider perspective

Step 1 – Educate Yourself *(continued)*

- Networking opportunities are an added benefit
 - Build relationships with representatives from other industry sectors. ASC X12 members include payers, vendors, clearinghouses, government agencies (such as CMS), providers, and professional organizations
 - Share information and concerns with other providers: Contribute to the provider voice at X12 through Provider Caucus, an industry group meeting during the X12 Trimester meetings

Step 1 – Educate Yourself *(continued)*

- ASC X12 is not just for “techies!”
- ‘Also need expertise in
 - business processes
 - clinical data needs
 - regulatory processes
 - marketing

Step 2 – Analysis of 005010 Changes

- Bought and studied 005010 implementation guides (TR3s) and aids for change comparison
- Used ASC X12 HIPAA Interpretation Portal
 - Provides additional information for difficult concepts
 - Authoritative resource
- Completed gap analysis to determine changes needed in software and business processes
- Identified impacts to business and software where early planning and work was possible and would pay off in a smoother implementation

Step 2 – Analysis of 005010 Changes

(continued)

- **Using same subpart NPI in billing provider for same claim to all payers**
 - Involve your Provider Enrollment department now
 - Review current NPI subpart enumeration to find cases where an NPI is only used with one payer
 - Either work with payer to find a way to stop using this NPI or else inform other payers of that NPI and its associated address

Step 2 – Analysis of 005010 Changes

(continued)

- **Sending physical address for billing provider**
A PO Box address cannot be used for the billing provider . Those need to be sent in the pay-to address.
- **Only sending NPI for service location when it is external to billing organization**
- **NDC billing for Medicaid rebate program**
Only 1 NDC per service line: 4010 allowed for multiples. Medicaid's differ in current implementation

Step 2 – Analysis of 005010 Changes

(continued)

- **Changes in claim “consent” flags to align with HIPAA privacy rules**
 - Check whether state laws impact how you complete these
 - Involve your Compliance Department
- **Sending the patient as the subscriber when plan assigns a unique identifier to the patient**
 - Identify which plans do assign unique identifiers: Is it across the board for the trading partner, or does it vary by plan?
 - When plans vary within trading partner, how will your system handle?
 - If your solution will depend on eligibility transactions, must test and migrate along with claims and remittance for trading partner

Step 2 – Analysis of 005010 Changes

(continued)

- Identified areas that could be improved using 005010 version of transactions, going beyond just an upgrade to current transactions
 - More use of EDI eligibility inquiry and response with expanded search options and response data
 - Increase electronic posting.
 - More explicit instructions should result in better 835s from payers.
 - Removal of CR group code may allow electronic posting of reversals and corrections.
 - Convert some older EDI processes to take advantage of new software features

Step 2 – Analysis of 005010 Changes

(continued)

- More electronic secondary claim billing possible due to better data from 835, improved instructions, elimination of unnecessary fields
- Use of additional transactions not already implemented such as claim status, referrals and authorizations
- Use of new claim fields that could reduce use of attachments, such as the situational service line description data element (SV101-7) for non-specific procedure codes
- Fix any workarounds done just to get the job done on time for HIPAA 1

Step 2 – Analysis of 005010 Changes

(continued)

- Identified application software requirements
 - A field to help identify when the patient identifier is unique ?
 - A way to indicate whether NPI for service location is external to your organization?
 - Method for running 2 versions during phased migration
 - Changes to customizations?

- Be sure to include affected internal departments all along the way

Step 3 – Communicate with Vendor

- Make vendor aware of your requirements
- Make sure you have the same understanding of the changes
- Contribute your business knowledge
- Find out the timetable for software upgrades

Step 4 – Communicate with Trading Partners

- What are their timetables for testing?
- Are there other projects that could impact the 005010 project and available testing window?
- How will testing be conducted?
 - Separate test connection?
 - Based on test indicator in transaction?
 - Self-test site?

Step 5 – Upgrade and Test Vendor Software Internally

We just completed beta testing of our application software for EDI.

If you haven't talked with your vendor yet, do it now!

- Be sure to test that 004010 transactions still work the same way after the upgrade
- For us, it was less work to use 004010 transaction setup as a base and apply changes for 005010, preserving anything specific to trading partner

Step 6 – Update Customizations and Edits Controlled by Internal Staff

- Example:
Edits requiring subscriber date of birth and sex no longer needed
- Some changes may need to happen after full compliance.
Example: Pop-up prompt for patient weight for epoetin can be turned off

Step 7 - Use a Validation Service

- Confirm that the transactions you create are compliant with the implementation guides.
- Some validation services also offer business edits

Step 8 – Test with Trading Partners, Migrate to Production in Phases

- WFUHS plans to use the phased migration approach which Gale Scott will discuss in the next presentation.

HIPAA 005010 - 837 Implementation “Testing & Migration”

**Gale Scott
Tampa General Hospital
Tampa, Florida**

Tampa General Hospital



- 958 licensed beds
- 2000+ physician affiliates
- Teaching hospital for University of South Florida
- MAGNET hospital
- 4th busiest Transplant Center in the nation
- Regional Referral Center for Highly Specialized Services

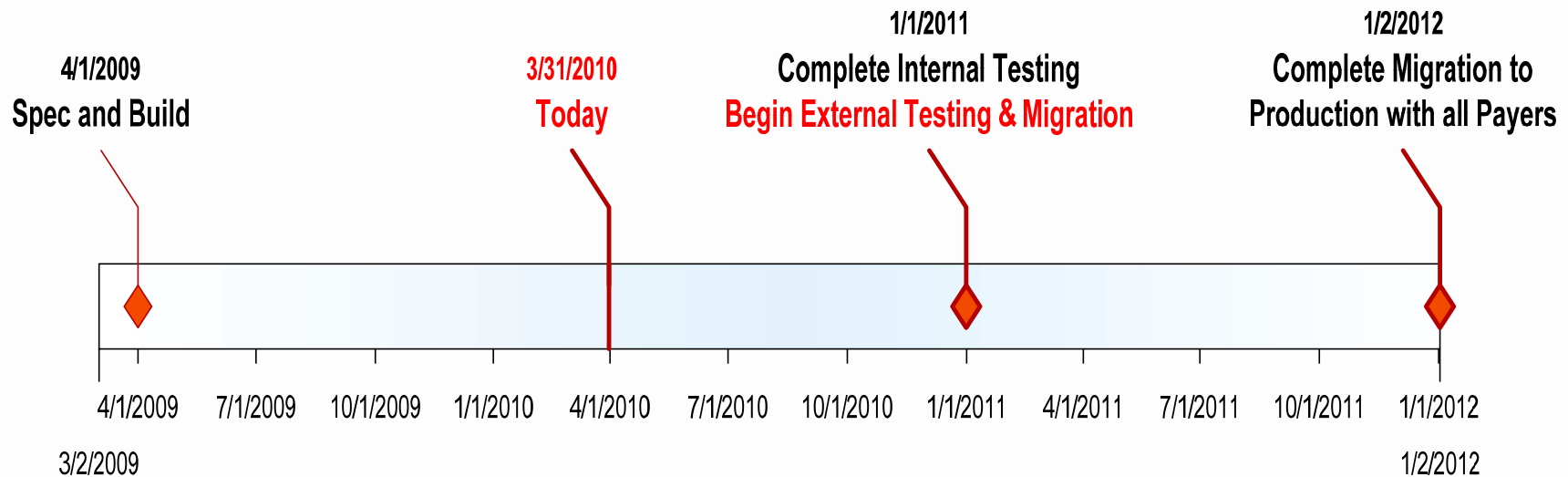
Presentation Objectives

- To gain better understanding of:
 - The 005010 timeline
 - What should be done by now and what needs to be done by the end of 2010
 - Critical provider testing/validation points
 - Billing software validation
 - Claim scrubber mapping validation
 - Claim scrubber edits

Presentation Objectives *(continued)*

- To gain better understanding of:
 - The phased migration process
 - The reasonability of meeting the January 2012 compliance date
 - Questions providers should be asking
 - Cash Flow Back-Up Plan (aka “Plan B”)

005010 Timeline (Simplified)



What Should Be Done By Now?

- What should already be completed?
 - Project organized, project plan completed, budget approved
 - TR3 purchased, Front Matter reviewed
 - Gap analysis completed, issues resolved
 - Direct Billers: Collaboration with payers to set target dates for testing and migration
 - Clearinghouse Users: Collaboration with clearinghouse to set target dates for testing and migration
 - Timeline requirements evaluated for ability to meet the 2012 compliance date

What Remains to be Done by the End of 2010?

- Testing plan completed
- Migration plan completed (including target dates for each payer)
- All Software updates applied to Test and Production
- Provider testing/validation/transaction certification completed

Critical Provider Testing/Validation Points

- **Billing Software**
 - **Dependency:** Software delivered from vendor
 - **Method:**
 - Software applied, tested, validated in test environment
 - Remediation completed and transaction certified
 - Software moved to production

Critical Provider Testing/Validation

Points *(continued)*

- **Claim Scrubber Software (global)**
 - **Dependency:** Software delivered from clearinghouse
 - **Method:**
 - Software applied to claim scrubber test environment
 - 005010 claim created and downloaded from mainframe
 - Data mapping validated (mainframe 837 to claim scrubber)
 - Remediation completed

Critical Provider Testing/Validation

Points *(continued)*

- **Payer-Specific Claim Edit Software**
 - **Dependency:** Clearinghouse/Payer testing complete; development/deliver of payer edits
 - **Method:**
 - As received, each payer edit installed to test environment at provider site
 - Edits validated against TR3 and companion guides
 - Interpretation differences resolved and edit applied to production
 - Repeat process for each payer

The Phased Migration Process

- **Definition:**

Targeted testing of transactions within a full production environment with a gradual transition to full production with one high-volume payer at a time. In order to fully ensure the accuracy of processing across transactions and entities, the process must include the processing of the claim (837) as well as full adjudication and production of the remittance advice (835). The eligibility query and response (270/271) should also be included to ensure accurate collection of dependant unique identifiers.

The Phased Migration Process *(continued)*

- Prerequisites
 - *Provider, clearinghouse(s) and payer must be able to process 005010 claims and remittances in the production environment*
- Method:
 - Send sampling of production claims to payer
 - Variation of different reimbursement types and claim types, e.g., PPS vs. non-PPS, Specific Managed Care Contracts, ED, Psych, Rehab, Ambulance, etc.
 - Monitor and track each claim through adjudication
 - Complete remediation via collaboration with trading partners
 - When complete, move into full production and start with next payer

Is it Reasonable to Think That We Can Make the Compliance Date?

- Based on the NPI experience, it will take at least a year to complete a phased migration with all payers
- Migration cannot begin with a payer until all trading partners can exchange transactions in Production
- It is highly unlikely that all payers will complete external testing with clearinghouses in enough time to allow a phased migration
- Target date for completion of external testing and beginning the phased migration is not consistent across entities

Questions to Ask

- Do you know when to expect your 005010 software delivery?
- If you are a direct biller:
 - Are you being proactive in trying to establish a tentative testing and migration schedule with the payers?
- If you rely on a clearinghouse:
 - Do you know when your clearinghouse will deliver the initial software update?
 - Do you know when your clearinghouse will be able to test with each payer and thereafter deliver the various edit masters for the claim scrubber?

Questions to Ask *(continued)*

- Regardless of whether you use a clearinghouse or not, are you able to lay out a schedule that brings you to full compliance by January 2012?
- Are there financial risks to not completing a phased migration?
- Are you prepared for a possible slowdown in cash flow?
- Have you done everything possible to reduce the risk?

If You Don't Think You Need a "Plan B"

- Consider this –
 - CMS is not expected to grant any type of extension or contingency plan with the 005010 implementation and they are expected to take a more proactive approach to enforcement with 005010
 - Will you turn on the switch based on your trading partners being ready, without completing a phased migration?

If You Think You Need a “Plan B”

- At a minimum your Cash Flow Back-Up Plan should include:
 - Contact your largest payers NOW and work out arrangements to ensure cash flow to sustain you until full migration to production can be achieved
 - Ensure cash reserves
 - Ensure resources for additional workload if: rejection volume is high, if you start billing or posting payments from paper, if you have to make phone calls to get unique ID for dependents
 - Describe a detailed plan for how you will process transactions on January 1, 2012 with those payers with whom you have not been able to complete an end-to-end phased migration

Conclusions & Points to Ponder

- Don't rely on the clearinghouse; their hands may be tied, relative to payer testing
- After the NPI experience, we must complete an end-to-end and phased migration
- Don't count on a deadline extension beyond January 2012
- ICD-10 is just around the corner....



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Resources

ASC X12 Resources

- Face-to-face ASC X12 meetings
 - Interact with subject matter experts - educational
 - Participate in future transaction development
 - Participate in process
- HIPAA Interpretations Request (HIR) Portal
 - <http://www.x12n.org/portal/>
 - Not a change request process
 - Clarification of intent
 - Implementation only, not for questions related to underlying standard

ASC X12 Resources

- External Code Sources
 - <http://www.wpc-edi.com/codes>
 - Claim Adjustment Reason Codes (CARC)
 - Claim Status Codes
 - Claim Status Category Codes
 - Remittance Advice Remark Codes (RARC)
- <http://store.x12.org>
 - X12 005010 TR3s
 - ***Discounts are available for HIMSS member-attendees of this webinar and ASC X12 Members***

HIMSS Resources

- HIMSS 5010 and ICD10 Tools and Resources
http://www.himss.org/ASP/topics_FocusDynamic.asp?faid=220
- HIMSS Financial Edge monthly e-Newsletter: *Have you subscribed today?*
http://www.himss.org/ASP/topics_FocusDynamic.asp?faid=251

Thank You

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Questions

