



5010/D.0 Tools and Resource Guide: Prepare Your Organizations for Transitioning from HIPAA Transaction Code 4010 to Version 5010 and D.0

Introduction

In 1996 the Health Insurance Portability and Accountability Act (HIPAA) started the process for the healthcare industry to use standardized formats for electronic claims and claims related transactions. On January 15, 2009 the United States Department of Health and Human Services (HHS) released a final rule that mandates updated standards for the electronic health care and pharmacy transactions. The current formats, ASC X12 Version 4010A1, are mandated to be changed to 5010, and the National Council for Prescription Drug Programs (NCPDP) version 5.1 to D.0 and Version 3. This includes

- ✚ Claim/Encounter (837-I, 837-P, 837-COB, 837-P COB, NCPD)
- ✚ Remittance (835)
- ✚ Claim Status Inquiry/Response (276/277)
- ✚ Eligibility Inquiry/Response (270/271)
- ✚ Healthcare Services Review (278) Pre-certification and Referrals

These changes will bring many awaited enhancements to the industry at many levels. This upgrade will allow for the mandated ICD-10-CM/PCS codes, and increase the number of allowable codes. This ultimately can improve patient safety and needed information for healthcare decision support. It will improve the process for claim status and eligibility inquiries and responses.

Who will be affected?

Healthcare providers, health plans, retail pharmacies, Medicaid pharmacies subrogation, and clearing houses that are covered by HIPAA.

When is version 5010 expected to start?

Transitioning for the new formats is to start January 1, 2011. Medicare carriers are expected to start this process to enable billing software systems to be ready to meet the mandated date of January 1, 2012. CMS is not expecting to move the mandated date.

Small health plans have until January 1, 2013.

Why is the change needed?

As highlighted by CMS:

- ✚ It is outdated.
- ✚ Over 500 change requests have been made over the years and these will be included.
- ✚ It has structural and content-oriented changes.
- ✚ Improved ambiguities in situational rules.
- ✚ Data elements have been enhanced.

What are some first steps?

- ✚ Organize a 5010 Team and develop a time line. See useful Web site below.
- ✚ Purchase Implementation Guides and access to Technical Questions. See useful Web site below.
- ✚ Contact system vendors now to address licensing agreement that it includes regulatory updates.
- ✚ Ask the system vendor when the system upgrade will have the upgrade to ensure compliance with testing and implementation timelines.
- ✚ Start communications with trading partners.



Where can organizations find useful tools?

Many useful Web sites are available:

- ✚ **Medicare comparison of the current and new formats:**
<http://www.cms.hhs.gov/ElectronicBillingEDITrans/>
- ✚ **A project plan is a must, since this is a huge project.** 5010 project time line is available now. Provided by the North Carolina Healthcare Information and Communication Alliance and WEDI.
- ✚ www.nchica.org/HIPAAResources/timeline.htm
- ✚ **Guides and access to Technical Questions:**
 - X12: www.x12.org
 - X12 standards interpretations: <http://www.x12.org/RFIs/index.cfm>
 - NCPDP (for D.0 and 3.0): www.ncpdp.org
- ✚ **X12 Responses to Technical comments:**
http://www.cms.hhs.gov/TransactionCodeSetsStands/04_Version5010ImplementationPlanning.asp
- ✚ **CMS Web site for industry wide information, including upcoming free educational seminars:**
http://www.cms.hhs.gov/Versions5010andD0/40_Educational_Resources.asp

What should HIMSS Members be doing for their organizations?

- ✚ Chief Information Officers need to be leading their organizations to get the right people involved **now**.
- ✚ Chief Information Officers and IT staff need to be reaching out to the vendors to ensure readiness.
- ✚ Business units need to be reaching out to their vendors, clearing houses and trading partners to ensure regulation readiness and compliance.
- ✚ Organizations need to be addressing business operational analysis of the regulation to evaluate compliance process as well as strategic process opportunities.

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