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Planning and Implementation of the HIPAA Transaction Standards and Code Sets

NCVHS Subcommittee on Standards

December 9-10, 2009

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What is NCPDP?

- An ANSI-accredited standards development organization.
- Provides a forum and marketplace for a diverse membership focused on health care and pharmacy business solutions.
- A member driven organization that has been named in various government legislation and rulings, such as HIPAA and the Medicare Prescription Drug Benefit.
- One of several Standards Development Organizations (SDOs) involved in Healthcare Information Technology and Standardization.
- Focus on pharmacy services, and has the highest member representation from the pharmacy services sector of healthcare.

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Pharmacy Standards Adopted

- Version upgrade:
  - Telecommunication Standard Implementation Guide Version D.Ø
  - Batch Standard Implementation Guide Version 1.2
- New standard:
  - Medicaid Subrogation Standard Implementation Guide Version 3.Ø
- Note: pharmacy industry utilizes the ASC X12 835 (remittance advice), 834 (enrollment) and the 270/271 (eligibility) is used in electronic prescribing
  - ASC X12N 5010 Technical Report 3s

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Pharmacy Industry Transition

- Claim processing will have the most impact and therefore all business processes related.
  - Claim Changes
    - COB, Multi-Ingredient Compounds, HSA (health savings accounts), Copay and Coinsurance
      - Prescriptions are billed
        - Additional information to submit
        - Response information to create secondary claim billing
      - Prescriptions are paid
        - Copay and coinsurance change and are impacted by HSA
      - Prescriptions are reported
        - Reporting all ingredients for compounds
      - Prescriptions are audited
        - New processing creates new audit requirements

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Pharmacy Industry Transition

- Who Will Require Training?
  - Pharmacy Personnel
  - Pharmacy Customer service
  - Pharmacists
  - Account Management
  - Sales Force
  - Product Development
  - Reporting Personnel
  - Accounting Personnel
  - Auditing Team
  - Customer Service Representatives
    - Pharmacy, Client and Member
  - Development, QA, and Certification Team

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Pharmacy Industry Transition

- Communication
  - Start Early
    - Create communication internally and externally
      - Continue to communicate explaining project plan and progress
  - Train as needed
    - Start training individuals who are involved early in the process
    - Train others as their areas become involved
    - Create a project plan clearly outline areas and dates
  - Update Training
    - Include new and changed information
  - Create Newsletters
    - Identify important milestones
    - Communicate successes and delays

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How Can NCPDP Support the Industry Strategic National Implementation Process (SNIP)

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NCPDP SNIP

- Training Webinars
- Creation of White Papers
  - Transaction Timeline White Paper
  - ICD 10 Code sets Timeline White Paper
  - D.0 Implementation White Paper
  - 835 5010 Implementation White Paper
- Creation of Payer Sheet Implementation Guide
- Track Progress via NCPDP SNIP
- NCPDP FAQ Editorial Document

Telecommunication and Batch Standard Industry Timeline

Start Date	August 2008	January 2009	March 17, 2009	July 2010	January 2011	July 2011	January 1, 2012
	Business Planning	Development	Regulatory Effective Date	Formal and Informal Testing	Transition To Full Use of Upgraded NCPDP Standards	NCPDP Recommended Full Use of Upgraded Transactions	Regulatory Compliance Date
Length of Time	5 Months	18 Months		6 months	6 months	6 months	

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Timeline Steps

Business Planning

- The business planning activities include such items as:
  - Determine the Scope
  - Define the Business Requirements
  - Identify Budget Requirements including Resources
  - Perform Risk Assessment

Development

- Examples of processes that should be completed within this time period are:
  - Systems analysis
  - Coding
  - Internal testing (may include parallel testing)
  - Infrastructure planning
    - Hardware
    - Software
    - Network

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Timeline Steps

Testing with Trading Partners (Formal and Informal)

- Participate in testing designed to demonstrate the ability of their systems to comply with the requirements of the standard(s).
- No trading partner should require another trading partner to begin testing prior to the start of this period.
- Parallel testing may occur at this time.
- Upon completion of successful testing, if trading partners mutually agree, they may immediately move to the transition to full compliance period.
- No trading partner can require another trading partner to use the newly mandated version of a standard during this period for submission of production transactions.

Transition To Full Use of Upgraded NCPDP Transactions

- Trading partners support both versions of the standards during this period for production transactions.
- No trading partner should force exclusive use of the newly mandated version during this period.
- Entities should implement the revised standards during this period in a timely manner to assure that they are prepared to meet the regulatory compliance date.

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Timeline Steps

Recommended Full Use of Upgraded Transactions

- All entities should have completed testing
- Transmitting the new mandated versions of existing HIPAA-named standards

Regulatory Compliance Date

- The date by which all processes above must be completed and the industry must transition to the newly mandated versions of existing HIPAA-named standards

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Medicaid Subrogation Standard Industry Timeline

Start Date	August 2008	August 2009	January 1, 2010	February 2011	July 2011	January 2012	January 2013
	Business Planning	Development and Testing	Regulatory Effective Date	Transition to Full Use of new NCPDP Standard	NCPDP Recommended Full use of new Standard	Regulatory Compliance Date (except for Small Health Plans)	Regulatory Compliance Date for Small Health Plans
Length of Time	12 Months	18 Months		5 months	6 months		

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Timeline Steps

Business Planning

- The business planning activities include such items as:
  - Determine the Scope
  - Define the Business Requirements
  - Identify Budget Requirements including Resources
  - Perform Risk Assessment

Development and Testing

- Examples of processes that should be completed within this time period are:
  - Systems analysis
  - Coding
  - Internal testing (may include parallel testing)
  - Infrastructure planning
    - Hardware
    - Software
    - Network

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Timeline Steps

Development and Testing (cont)

- Trading partners participate in testing designed to demonstrate the ability of their systems to comply with the requirements of the standard(s).
- Certification could also occur during this period.
- Upon completion of successful testing, if trading partners mutually agree, they may immediately move to the transition to full compliance.
- No trading partner should require another trading partner to use the new standard during this period for submission of production transactions

Transition To Full Use of New NCPDP Standard

- No trading partner can force exclusive use of the new standard during this period.
- Entities should implement the new standard during this period in a timely manner to assure that they are prepared to meet the regulatory compliance date.

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Timeline Steps

Recommended Full Use of New Standard

- Date by which NDPCP recommends that all entities be in production with the new Medicaid Subrogation Standard.

Regulatory Compliance Date

- The date by which all processes above must be completed and the industry must transition to the newly mandated versions of existing HIPAA-named standards

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SNIP Committee Work

- Sister committee to WEDI SNIP for pharmacy industry items
- Web casts for Telecom D.Ø in Jan/Feb 2007
- Surveys for Telecom D.Ø, Batch 1.2, Medicaid Subrogation 3.Ø
  - Presented to NCVHS in July 2007
- Survey for Industry Readiness
  - Presented to NCVHS in December 2009
- Tracking document for organization readiness
  - Self reported implementation dates, transaction usage

SNIP Committee Implementation Guidance

- HIPAA Implementation White Paper for NCPDP Standards
  - Timeline for implementation
    - Telecom D.Ø, Batch 1.2, Medicaid Subrogation, and Post Adjudication timelines
  - Implementation guidance
  - http://www.ncpdp.org/news_hipaa_snip.asp#WPHINS
- Implementation Guide for Payer Sheets
  - Consistent approach to sharing processing requirements
  - http://www.ncpdp.org/news_hipaa_snip.asp#WPHINS

SNIP Committee Implementation Guidance

- HIPAA Implementation White Paper for Pharmacy Industry use of the ICD-10
  - Contains industry guidance, analysis items to consider, resources
  - Prescribers, pharmacies, payers, health plans are all impacted – even in pharmacy industry
  - http://www.ncpdp.org/news_hipaa_snip.asp#WPHINS
- Future educational sessions (NCPDP, and collaboratively with WEDI and X12N)
- Speaking engagements on the next round of HIPAA

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FAQ Task Group

- Handling questions from the industry as implementers dive deeper
- Consensus process to answer questions, clarifications
- "Version D Editorial" document – important!
  - Contains editorial corrections, FAQs, clarifications
  - Will be updated quarterly as information comes from the industry
  - http://www.ncpdp.org/public_documents.asp#vDed

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NCPDP Resources

- "Final Rule Information" document
  - http://www.ncpdp.org/news_hipaa.asp
- Overview to NCPDP standards presentation
  - http://www.ncpdp.org/news_hipaa_trans_current.asp#ImpNCPDPSta

Telecommunication and Batch Standard Industry Survey

- The company setting that I represent can best be described as:
  - Pharmacy – 23%
  - Health Plan/Payer/Processor/PBM – 50 %
  - Software Vendor – 27%
- How will your system handle the NCPDP Telecommunication Standard Version D.Ø (or Batch Standard Version 1.2) implementation *89% will use internally developed software*
- Using the NCPDP SNIP Timeline for the Telecommunication Standard Version D.Ø (or Batch Standard Version 1.2) what stage of implementation is your organization currently working on? *46% are in Business planning 46% percent are in Development*
- Level 1 compliance requires that all internal testing is completed by December 31, 2010 and that you are ready to begin sending and receiving compliant transactions. Will you achieve the level 1compliance date? *68% Yes 32% No*
- If not, when will you be ready for Level 1 compliance? *36 % January through March 2011*
- Is your company transitioning to full compliance with the Telecommunication Standard Version D.Ø or Batch Standard Version 1.2 in accordance with the NCPDP recommended timeline? *68% Yes 32% No 45% 1/1/2011 – 6/30/2011 55% 7/1 – 12/31*

Medicaid Subrogation Standard Industry Survey

- If you are not a pharmacy provider how will your system handle the NCPDP Medicaid Subrogation Standard Version 3.Ø implementation? *75% internally developed software 33% outsourced*
- If you are not a pharmacy provider, using the NCPDP SNIP Timeline for the Medicaid Subrogation Standard Version 3.Ø what stage of implementation is your organization currently working on? *60% Business Planning 40% Development and Testing*
- Level one compliance requires that all internal testing is completed by December 31, 2010 and that you are ready to begin sending and receiving compliant transactions. Will you achieve the level one compliance date? *70% yes 30% no If not when will you be ready 50% between 7/1 and 9/30/2011*
- If you are not a pharmacy provider is your company transitioning to full compliance with the Medicaid Subrogation Standard Version 3.0 in accordance with the NCPDP recommended timeline? *78% yes 22% no If not when is your anticipated transition date? 34% 4/1 thru 6/30/2011 66% 10/1 thru 12/31/2011*

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ASC X12 835 Pharmacy Industry Survey

- The company setting that I represent can best be described as:
  - Pharmacy – 30%
  - Health Plan/Payer/Processor/PBM – 60 %
  - Software Vendor – 10%
- How will your system handle the ASC X12N 835 Version 5010 Standard implementation *90% will use internally developed software*
- Using the NCPDP Timeline for the ASC X12N 835 Version 5010 what stage of implementation is your organization currently working on *40% are in Business planning 60% percent are in Development*
- Level 1 compliance requires that all internal testing is completed by December 31, 2010 and that you are ready to begin sending and receiving compliant transactions. Will you achieve the level 1compliance date? 90% *Yes 10% No*
- If not, when will you be ready for Level 1 compliance? *10% not known at present time*
- Is your company transitioning to full compliance with the ASC X12N 835 Version 5010 in accordance with the NCPDP recommended timeline? *90% Yes 10% No Not known at present time*

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NCPDP ICD 10 Survey

- The company setting that I represent can best be described as:
  - Pharmacy – 9%
  - Health Plan/Payer/Processor/PBM – 73%
  - Software Vendor – 9%
  - Clearinghouse – 9%
- How will your system handle the conversion from ICD-9 to ICD-10 *73% will use internally developed software*
- Using the NCPDP Timeline for the implementation of the ICD-10 Code Sets what stage of implementation is your organization currently working on *78% are in Business planning 11% percent are in Development and 11% are in external testing*
- When do you plan to begin contacting your physician/prescribers regarding transition to the ICD-10 code set? *46% prior to 3/1/2013 remainder unknown*
- If you are a health plan and intend to use the ICD-10 code sets, when do you plan on contacting physician/prescribers regarding updating of current ICD-9 codes on patient claim files? *29% prior to 1/1/2012 28% 1/1/2012 thru 9/30/2012 and remainder unknown*
- When do you plan to start testing the ICD 10 code sets using the transaction standards *50% prior to 5/31/2013 and remainder not known at this*

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Thank You!

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