

5010/ICD-10 Where Are We Now, Really? (and now we have HIPAA Reform)

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Regulatory History


- **5010 NPRM published August 22, 2008**
 - Compliance date transaction on and after April 1, 2010
- **ICD-10 NPRM published August 22, 2008**
 - Compliance date Oct 1, 2011
- **5010 Final Rule published January 16, 2009**
 - Compliance date – transactions on and after Jan 1, 2012
 - Allowed “dual use” period
- **ICD-10 Final Rule published January 16, 2009**
 - Compliance date – services on and after Oct 1, 2013
 - No dual use period

NCHICA/WEDI Timelines Built


- Used regulatory deadlines
- Based on contributor experience from 4010/NPI implementation
- Attempt to develop a measured implementation timeline for the industry to meet compliance dates
- Recognized interdependencies
- Could be used by organizations as a basis for a work plan
- Followed regulatory suggestion for external partner testing by Jan 1, 2011 for X12 transaction upgrades.

NCHICA/WEDI Timelines

- Available at www.nchica.org
- In PDF or Microsoft Project Format
- Here they are:



X12
Timeline



ICD-10
Timeline

June 1 Recommended Status for Implementation

- **According to the timeline,**
 - Vendors
 - ✦ X12 – Customer product rollout
 - ✦ ICD-10 – Mainframe vendors in product solution development; secondary vendors in product verification and testing
 - Providers
 - ✦ X12 – External beta testing if doing systems work internally; installation and testing of vendor products if primarily dependent on vendors.
 - ✦ ICD-10 – Impact assessment

June 1 Recommended Status for Implementation

- Health Plans
 - ✦ X12 – External beta testing if doing systems work internally; installation and testing of vendor products if primarily dependent on vendors.
 - ✦ ICD-10 – Prepare business functional requirements.
- What has been the reported industry experience to date?

The Landscape Has Changed

- Major economic upheavals
- Passage of ARRA – meaningful use, EHRs, HIEs, data exchange
- PPACA – HIPAA revisions, to be discussed, but major concerns about health care system reform

Reports from the Industry

- Not very encouraging
- Medicare continues to report progress towards the deadlines
- CMS insists there will be no delays
- NCVHS hearings in Dec 09
 - Consistent reports from WEDI, NMEH, HIMSS
 - Industry behind in 5010 implementation
 - Not even focusing on ICD-10

Reports from the Industry

- Later WEDI survey in early 2010 indicated little progress in ICD-10; most just beginning their impact assessment
- Concerns
 - Multiple projects and lack of priority
 - Still some expectation of a contingency period
 - Lack of communication among plans, providers, and vendors regarding implementation plans
 - Still some “finger-pointing” at trading partners
 - For ICD-10, continued discussion about crosswalks

WEDI 5010 Early Adopters

- Group of plans, providers, vendors
- Those that are planning to do external testing well prior to Jan 1, 2011
- Major issues impeding progress-
 - Lack of trading partners
 - Lack of test data
 - Need for continuing education of trading partners and customers

Forecast

- CMS will stick to the compliance dates – Medicare will be ready
- If compliance date to be met, schedules will be squeezed.
- Probable target is external testing
- May lead to difficulties as we move to production
- Industry not learning lessons from 4010 and NPI implementation
- We need to learn how to manage transitions because:

The Patient Protection and Affordable Care Act

HIPAA REVISIONS! SECTION 1104

New Requirements for Transactions

- **Operating Rules**
 - Not for surgeons, but for transactions
 - “the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications as adopted”
 - Operating rules have been championed by CORE, but the law did not require the adoption of CORE’s operating rules

New Requirements for Standards

- The Act requires that standards and operating rules:
 - “to the extent feasible and appropriate, enable determination of an individual’s eligibility and financial responsibility for specific services **prior to or at the point of care;**”
- and
 - “provide for **timely acknowledgment**, response, and status reporting that supports a transparent claims and denial management process (including adjudication and appeals)”

Operating Rule Adoption Process

- **Operating rules to be developed by a non-profit entity that meets several qualifications:**
 - Multi stakeholder
 - Consensus based
 - Guiding principles
 - Focused on administrative simplification
 - Allows for public review
- **Can there several of these?**

Operating Rule Adoption Process

- **NCVHS responsibilities:**
 - A) advise the Secretary as to whether a nonprofit entity meets the requirements under paragraph (2);
 - B) review the operating rules developed and recommended by such nonprofit entity;
 - C) determine whether such operating rules represent a consensus view of the health care stakeholders and are consistent with and do not conflict with other existing standards;
 - D) evaluate whether such operating rules are consistent with electronic standards adopted for health information technology; and
 - E) submit to the Secretary a recommendation as to whether the Secretary should adopt such operating rules.

Operating Rule Adoption Process

- **Secretary can then adopt rules based on NCVHS recommendation (and after ensuring that providers were consulted) via an Interim Final Rule**
 - IFR means that rules are considered final upon effective date, but can be commented on and revised.
- **Timelines for Operating Rule Adoption**
 - Claims status and eligibility – adopted by July 2011, effective by Jan 1, 2013 (overlap with 5010 and ICD-10)
 - Remittance advice and EFT - adopted by July 2012 and effective by January 1, 2014
 - Other transactions - adopted not later than July 1, 2014, and effective not later than January 1, 2016.

Use of Interim Final Rules (IFR)

- **Secretary can use IFR for adoption of any standard or operating rule recommended by NCVHS**
- **Allows for a 60 day comment period, but no requirement to revise rule.**
- **No more NPRM and comment period required.**

Periodic Revision of Standards and Operating Rules

- Review committee (which may be NCVHS) to be established by Jan 1, 2014
- Beginning April 1, 2014, and no less than every two years, committee will hold hearings to review the standards and operating rules and recommend changes.
- Recommended changes must be adopted via IFR within 90 days of the committee report
- Industry has 27 months to implement (close of 60 day comment period + 25 months).

Impact

- This means standards updates approximately every two years.
- We need a process in place to manage these updates and assure timely implementation
 - Planning
 - Assessment
 - Remediation
 - Testing
 - Communication

New Transaction Standards

- Standards and Operating Rules for Unique Health Plan Identifier, EFT, and Attachments
 - HPI – effective by 1/1/2012
 - EFT – adopted 1/1/2012 and effective 1/1/2014
 - Attachments – adopted 1/1/2014 and effective 1/1/2016

Compliance, Enforcement, and Penalties

- Health plans must file certification statements that they are in compliance with standards and operating rules:
 - By 12/31/2013 for EFT, eligibility, claims status, and payment and remittance advice
 - By 12/31/2015 for claims, enrollment and disenrollment, premium payments, claims attachments, and referral certification/authorization

Compliance, Enforcement, and Penalties

- Must include supporting documentation which includes
 - Proof of full compliance
 - Completion of end-to-end testing with providers
- Also must ensure that any entities that provide services pursuant to a contract with health plan shall comply with any applicable certification and compliance requirements (and provide the Secretary with adequate documentation of such compliance).

Compliance, Enforcement, and Penalties

- The Secretary may designate independent, outside entities to certify that a health plan has complied with these the compliance requirements.
- For any revised standards or new standards, health plans must file certification statements by the effective date of the new requirements.
- The Secretary is to do audits of health plans to ensure their compliance.

Penalties!

- \$1 per covered life **for each day** the plan is not in compliance with the certification and documentation requirements.
- Maximum penalty, per year, is \$20 per covered life
- Penalties double if inaccurate or incomplete information has been provided in the compliance documentation.

Impacts

- Additional requirements during the 5010/ICD-10 implementation
- IFR's require that organizations stay aware of new versions being developed by SDOs
- Regularly scheduled updates will require management and regular process to follow.

Questions?

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