HIPAA Testing--The Medicare Experience
Centers for Medicare & Medicaid Services

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Many Types of Medicare Testing

1. Alpha testing of standard system programming
2. Beta testing of that programming
3. User testing by Medicare carriers and intermediaries in tandem with translator, front end and back end changes that must mesh with the standard system programming

4. Certification testing following the 7 levels recommended by WEDI/SNIP

5. Testing of system compatibility with trading partners

6. Ongoing testing of modifications made throughout the process

Plans and Experiences

➢ Implementation of the transactions for HIPAA has been a learning experience on many levels

➢ It became evident during implementation that the implementation guides for these standards contained some ambiguous statements that have made programming a challenge

Plans and Experiences

➢ Medicare currently has 5 standard system maintainers leading to the opportunity for different interpretations of the implementation guide requirements

➢ CMS central office staff have frequently interceded to resolve detected inconsistencies

Plans and Experiences

➢ Testing has been essential to detect errors and inconsistencies within and among our single standard systems and contractor systems

➢ Due to the number of interpretation issues experienced by Medicare contractors, we felt it would be advisable have a neutral third party validate our decisions through certification of our systems

Plans and Experiences

➢ To be compliant with HIPAA, the many Medicare standard systems and Medicare contractors must first be consistent with each other

➢ We can't successfully test the HIPAA transactions with the thousands of Medicare trading partners if we can't certify the compliance of our own systems

Plans and Experiences

➢ Medicare is subject to the same compliance requirements and penalties as any other covered entity, even though we probably receive more scrutiny than other covered entities

➢ Third party certification testing should give us a higher degree of confidence in our ability to pass that scrutiny

➢ Although not required by HIPAA, it is common sense that if each covered entity can pass certification, the likelihood of successful interaction among HIPAA trading partners should increase significantly

Plans and Experiences

➢ Certification testing offers the opportunity for uniform across the board testing of each of our contractors

➢ It offers the ability to isolate error types for resolution and to track the compliance and error resolution progress of our contractors

➢ Use of an external contractor for this work enabled us to extend our resources and receive unbiased information

- Testing is designed to detect potential errors
- Diagnosis of the source of errors detected by testing at any level has been a challenge
- Errors may be in a standard system's programming, in a COTS product used by the standard system, in the translator selected, or in the mapping for that translator

Issues and Solutions

- Errors may reside within a corporate front end or corporate clearinghouse used for routing of Medicare transactions

- Errors may reside within alternate modules, such as accounts receivables, provider data, eligibility data, or secondary payment calculation modules that feed the claims processing systems

- There is often no simple solution for resolution of detected errors

Issues and Solutions

- Companion documents are currently needed from payers to resolve ambiguity in the guides, as well as to clarify the application of situational data elements
- All covered entities must have the same interpretation of the "must" and "should" phrases in the implementation guides

Issues and Solutions

- Trading partners must clearly understand how errors detected in received transactions at the standard, implementation guide, and program levels are to be returned, and who is responsible for the content and form of those reports

Where We Go From Here

❖ Medicare contractors are expected to be certified on the incoming claim, remittance advice and coordination of benefit transactions within the next couple of months

❖ They are to certify their claim status inquiry and response implementation in July

❖ Eligibility inquiry and response certification has not yet been scheduled, but will follow

Where We Go From Here

- ❖ Medicare contractors can conduct preliminary testing with selected users on the claim and remittance advice now, but wide scale testing is not expected to begin prior to certification

- ❖ As of 4/24, 15 Medicare contractors had been certified for the basic inbound claim, 18 for coordination of benefits, and 3 for the remittance advice

Where We Go From Here

❖ A basic claim is a simple claim without complications

❖ Certification is expected for specialty claims later this summer

❖ Specialty claims are those that require supplemental data specific to that claim type, such as for ambulance services

Where We Go From Here

❖ Each claim submitter is expected to pass testing with Medicare prior to Medicare acceptance of their claims in an operational mode

❖ Users of other transactions will not be required to pre-test

Where We Go From Here

❖ Medicare has taken advantage of ASCA to extend our internal testing efforts prior to operational use of the transactions

❖ It is always better and cheaper to detect potential system errors and correct them prior to operation

❖ We anticipate that these testing efforts will make trading partner testing a more positive experience

Where We Go From Here

❖ Trading partners that have not tested internally to the extent done by Medicare or that have not been certified may experience difficulty exchanging transactions

❖ HIPAA does not allow any covered entity to accept or issue non-compliant transactions so it is incumbent upon trading partners to test adequately and make system changes as needed

Where We Go From Here

❖ Medicare will implement the addenda changes after they have been published in a final rule

❖ We do not plan to re-test submitters on the addenda changes

Where We Go From Here

- ❖ Testing is a prime quality assurance tool and will need to continue to some extent indefinitely
- ❖ We expect that there will be annual version updates for the first few years of HIPAA operation, with new testing cycles for each implemented version
- ❖ Future versions should resolve the incidence of ambiguity-related and inconsistency issues,simplifying implementation and testing

Where We Go From Here

- ❖ Despite the aggravation, we need to keep our eyes on the objective

- ❖ When the covered entities finish this process, health care transactions will be administratively simpler, benefiting the health care industry overall