



NCPDP, HIPAA, SCRIPT and v5.1 Overview

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April 26, 2002



Who Is NCPDP?

NCPDP is an ANSI-accredited standards development organization representing the pharmacy industry. We are a membership driven organization that was named in HIPAA regulations.



Mission Statement

To create and promote data interchange standards for the pharmacy services sector of the health care industry, and to provide information and resources that educate the industry and support the diverse needs of our members.

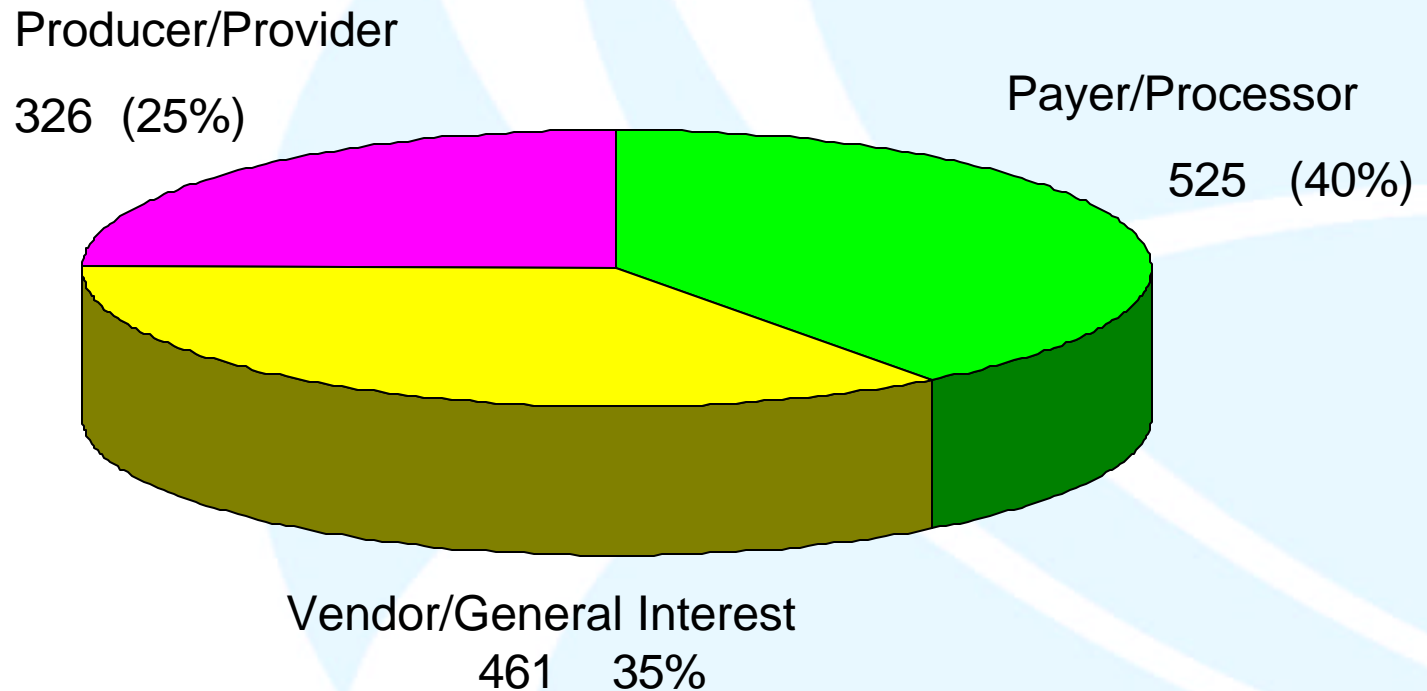
NCPDP

- ANSI accredited Standards Development Organization
- Member of the Designated Standards Maintenance Organization (DSMO)
 - Coordination and cooperation for the maintenance of the HIPAA-named transaction standards
- Participant in WEDi, NACDS, APhA, and other pharmacy organizations

NCPDP

- NCPDP, the organization, does not develop standards
- NCPDP, the Members, develop standards
- NCPDP, the organization, is the administrative arm of the Members

NCPDP Voting Categories



Total Members = 1312

Membership Representation

- **Producer/Provider (pink badges)**
 - Retail Pharmacy, Mail Service Pharmacy, Consulting Pharmacists, and Manufacturers
- **Payer/Processor (green badges)**
 - BCBS Organizations, HMOs, PBMs, and Government Payers
- **Vendors and General Interest (yellow badges)**
 - Drug Wholesalers, Consultants, Clinical Programs, and Software & Hardware Vendors, Physician Services Organizations

NCPDP History

- NCPDP was formed in 1977 to standardize insurance forms
- NCPDP's first standardization effort was the paper universal claim form (UCF) which was adopted in 1978. Over three billion claim forms have been distributed

NCPDP History

- 1988 NCPDP developed Version 1.0 of the Telecommunication Standard for online, real-time claims processing
- Pharmacy software vendors and chains started coding for electronic claims
 - No more double entry
 - No need for black boxes
 - Use of switching companies like ENVOY/WebMD and NDC Health
 - Online, real-time submission with real-time responses (in seconds)

NCPDP Work Groups

- Telecommunication
- Product Identification
- Standard Identifiers
- Provider Application and Registration Standard
- Payment Reconciliation
- Manufacturer Rebates
- Government Programs
- Professional Pharmacy Services
- Prescriber/Pharmacist Interface
- Data Security and Patient Confidentiality
- Maintenance and Control

WG1 Telecommunication

- Develops standards for electronic submission of pharmacy claims at the point-of-service
- Telecom Standard is ANS-accredited
- Telecom Version 5.1 named in HIPAA
- Telecom Version 7.1 Ballot underway

WG1 Telecommunication

- Developing guidelines for coordination of benefits (COB)
- Developing guidelines for the standardization of payment fields usage
- Developing Post Adjudicated History standard (for auditing, retrospective DUR, fee evaluations)

Telecom Version 5

- Enhancements to the online, real-time submission of
 - Pharmacy Claims
 - Pharmacy Services
 - Pharmacy Supplies
 - Reversals
 - Workers Compensation Claims
 - Prior Authorization Requests
 - Controlled Substance Reporting
 - Information Reporting

Telecom Version 5

- Enhancements to the online, real-time response from the processor/pharmacy benefit manager (PBM)
 - Enhanced Drug Utilization Review (DUR)
 - Enhanced Payment information
 - Enhanced Benefit/Copay information
 - Enhanced Prior Authorization information
 - Enhanced Coordination of Benefits (COB) information

Version 5 Enhancements

- Increased size of dollar fields
 - Supports \$999,999.99
- Field Qualifiers were added
 - NDC, UPC, HRI, HCPCS
 - DEA, State License Number, UPIN
- Enhanced Coordination of Benefits
 - Secondary/Tertiary can see primary reject codes
 - Secondary/Tertiary can see all primary payments (both Rx and Service Claims)

Version 5 Enhancements

- Expanded DUR (Drug Utilization Review) capability
 - Ability for Provider to respond to multiple alerts (Reason for Service Codes) in one transaction
 - Ability for Providers to send Professional Pharmacy Service codes and supporting info
- Professional Service Claim
 - Claim can be submitted for service without having to have an Rx
 - Service Claim can refer to an Rx
 - Easier for pharmacy to reconcile

Version 5 Enhancements

- **Partial Fill capability**
 - Pharmacy can report the dispensing of an initial partial fill (25 out of 30)
 - Pharmacy can report the dispensing of the remaining quantity without
 - Additional dispensing fee
 - Additional refill number
 - DUR warnings
 - Duplicate therapy
 - Too soon to refill

WG2 Product Identification

- Addresses billing unit and quantity concerns
- Developed the QUIC (Quantity Unit Information Communication) Form
- Developed Billing Unit Standard
- Helps in the Medicaid Dispute Resolution Process

WG3 Standard Identifiers

- Developed Pharmacy ID Card Implementation Guide
 - Legislated usage or discussion stage in most states
- Discusses State DEA Issues
- Involvement in HIPAA
 - Payer ID
 - National Provider ID (NPI)
 - Other IDs
- NCPDP Provider Number file changes

Pharmacy ID Card Guide

- Minimum necessary information on front and back of card
- In process of adding electronically readable medium guidelines
- Reasons for exclusion of some fields

NCPDP Provider Number

- Pharmacy identification number used for claims payment purposes
- Implemented on April 1, 1977
- Contains over 70,000 Pharmacies
- Alternate Site Enumeration for licensed dispensing sites
- BPA Audit Results-98% accuracy



WG4 Provider Application and Registration Standard

- Develops and maintains standard for the transfer of electronic applications and registration information for providers with Medicaid, Medicare, third party administrators, prescription benefit managers and other payer entities
- Analyze usage of ASC X12N 274

WG5 Payment Reconciliation

- Develops standards for electronic submission of pharmacy claim information and payments
- Developed NCPDP Payment Standards
- Developed Pharmacy Claim Payment Reconciliation Implementation Guide to be used with X12N 835 standard
- Cross-mapping of NCPDP Standards to ASC X12N 835 and vice versa

WG7 Manufacturer Rebates

- Developed Utilization, Plan and Formulary Flat File Standard and Implementation Guide
- ANS-accredited standard
- Developed standards for Market Basket and Reconciliation of Rebates
 - Utilization of market definitions within rebate processes

WG9 Government Programs

- Develops guidelines and provides recommendations for processing electronic claims within federal and state funded pharmacy programs
- Developed Batch Standard
- Developed Medicaid Subrogation Implementation Guide
- Most Medicaid states use NCPDP Standards
- White paper for definition of billing supplies in HIPAA

Batch Standard

- Batch 1.0 named in HIPAA. Will be corrected to Batch 1.1 in correction Notice of Proposed Rule Making (NPRM)
- Uses Telecom Version 5.1 as the Detail Data Record in the Batch

WG10 Professional Pharmacy Services

- Develops standards to document professional pharmacy services
- Discusses Drug Utilization Review (DUR) implementation issues
- White paper to define billing for professional services in HIPAA

WG11 Prescriber/Pharmacist Interface

- Developed SCRIPT Standard for the exchange of information between prescriber and pharmacist
- ANS-accredited Standard
- Developing standard for transfer of prescriptions between pharmacies

SCRIPT

- SCRIPT is a data transmission standard intended to facilitate the communication of prescription information between prescribers and pharmacists
- Version 1.0 was approved in April 1997
- ANSI-accredited standard
- Version 4.2 Balloting underway

SCRIPT Business Functions

- New Prescriptions from the prescriber to the pharmacy
- Change Requests to New Prescriptions by the pharmacy to the prescriber
- Refill Requests by the pharmacy to the prescriber

SCRIPT Business Functions

- Fill Status from the pharmacy to the prescriber (patient picked up, patient picked up partial fill, patient never picked up)
- The ability for a prescriber to cancel a previously submitted request
- Housekeeping transactions (password change, receive prescriptions, et cetera)

WG 12 Data Security and Patient Confidentiality

- Discusses HIPAA regulations and federal laws and/or guidelines that have been implemented and/or being considered in regards to data security and patient confidentiality for electronic data interchange (EDI)
- Involved in Multi-SDO Electronic Signature project

MC Maintenance & Control

- Overseer of Standards, Implementation Guides, and Data Dictionaries
- Promotes consistent administration of NCPDP processes
- Advises the Standardization Co-Chairs of issues of developmental procedures and due process

HCIddea

- An NCPDP product
- Provide the health care industry with a quality standard unique prescriber identifier
- Establish a unique identifier for all prescribers
- Replace the current use of the DEA number for claims processing and adjudication

HIPAA Transactions and Code Sets

- NCPDP Telecommunication Standard Version 5.1
- NCPDP Batch Standard Version 1.0 (modification NPRM to Batch 1.1)
- ASC X12N transactions
- NDC
- HCPCS
- ICD9
- CPT4
- CDT2 (dental)

HIPAA Futures

- NPRM for Transactions and Code Sets
 - Modifications or clarifications recommended by DSMO as necessary to comply
 - See http://www.ncpdp.org/news_hipaa.asp heading “NCVHS Testimony of DSMO Fast Track Change Requests”
 - Or National Committee on Vital and Health Statistics (NCVHS) website

HIPAA Futures

- NPRM for NDC versus HCPCS clarifications
- NPRM for corrections to NCPDP transactions
 - Batch 1.1
 - Remittance Advice (ASC X12N)
 - NCPDP for Referral Certification and Authorization

HIPAA Futures

- Unique Identifiers for Providers, Payers, Employers, and Individuals
- Security Rules
- Privacy Rule Modifications
- Enforcement Rules

NCPDP and HIPAA

- NCPDP is a Designated Standards Maintenance Organization (DSMO)
- Pharmacy Strategic National Implementation Process (SNIP)
- Summits held in 2000, 2001
- Work Groups Continue to Monitor and Respond to HIPAA Rules

NCPDP and HIPAA

- Actively involved in
 - NDC versus HCPCS for drugs and biologics
 - Standards for billing professional pharmacy services
 - Standards for billing supplies
 - Clarification of Privacy regulations
 - Input on other NPRMs



Attend NCPDP Meetings

May 2002 in New Orleans, LA

21st Educational Forum – Discount Programs

22-24th Work Groups

August 2002 in Washington, D.C.

27th Educational Forum – Privacy & Confidentiality

28th – 30th Work Groups

Get Involved - Stay Informed

- ◆ Become a member
- ◆ Attend the quarterly Work Group Meetings
- ◆ Website (www.ncpdp.org)
- ◆ *Council Connection*



Thank you

Questions:

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