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HIPAA Transactions and Code Sets

Create a *real* HIPAA ROI using Live Validation and Filtering

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Our Story so far…

We scrambled to:

- Remediate systems

- Handle HIPAA

- Test partners

- Implement communities

- Meet the mandate!

October 16

Early testing was accommodative

What did we test?

- Ourselves – can we produce/accept 837…

- Assorted pre-production partner tests

- Selected test regimens

Examples of Spot Testing

Spot Testing Doesn't Cut It!

Why Not? →

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Spot Testing Doesn't Cut It

Because…

- Pre-production testing is only as good as the instances tested

- Changes are never-ending:

    - new partners

    - new transactions

    - standards versions & addenda

    - my system changes

    - your system changes

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Spot Testing Doesn't Cut It

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Also…

The risk of non-compliance goes beyond the legal mandate:

- Rejected batches
    - *Expensive for Providers*

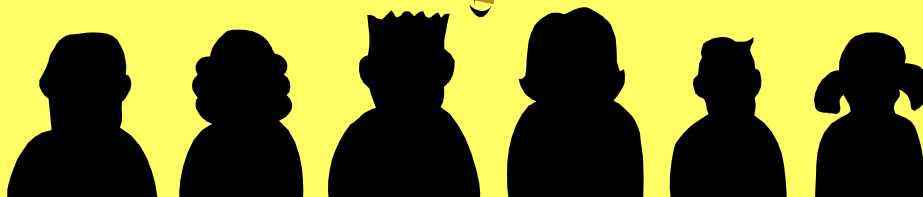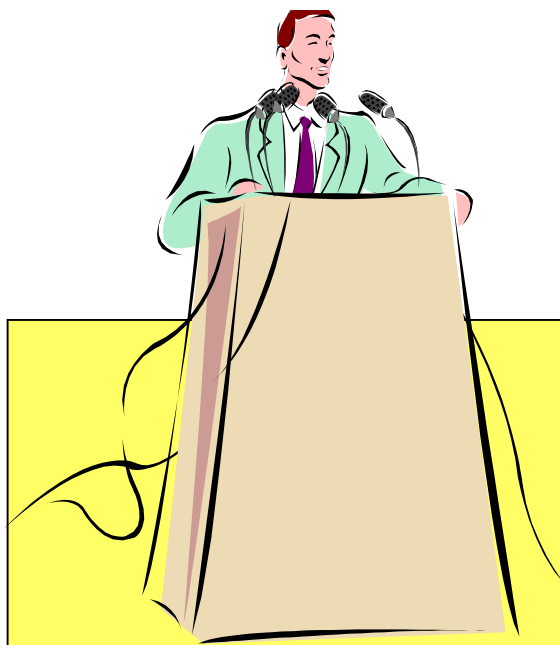- Adjudication failures
    - *Expensive for Payers*

Introducing…
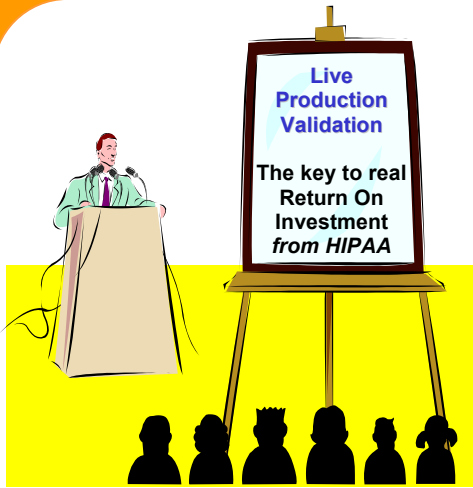
Live Production Validation

The key to real *Return On Investment* from HIPAA

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Production Validation

Allows you to…

- Test and filter 100% of live transactions
- Identify *and remove* non-compliant data on the fly

Without Validation (example)…

- Provider sends batch containing 1000 claims

- 2 claims have non-compliance errors

- Entire batch is rejected

- Payment of 1,000 claims halts pending communication & identification of errors, location of error source, correction of errors & re-submittal & acceptance

From aiming blind…
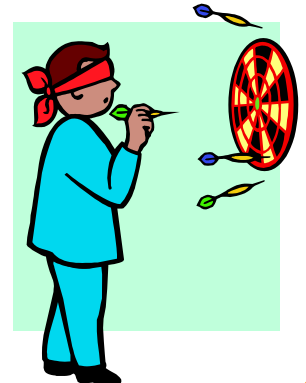
With Validation (example)…

- 2 claims in error filtered out and logged in detail

- 998 claims repackaged and sent in real time for prompt payment

- Instant feedback allows rapid correction and re-submission of claims in error

To eliminating delays

Adopted by Industry Leaders

Benefits

- Reduces claims rejections (providers)
- Protects applications (payers)
- Warns of potential adjudication errors
- Protects against problems from updates
- Document success with logs & reports
- Eliminates the ongoing resource required for continual spot testing and change testing
- Positions the industry to adopt more transactions sooner

Live Validation Flow

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Applications Systems → Translator (Outbound / Inbound) ⇄ Communications System

Translator Exit

Real-time Validation Filter → Audit and Reports Archive / E-mail/EDI Notifications
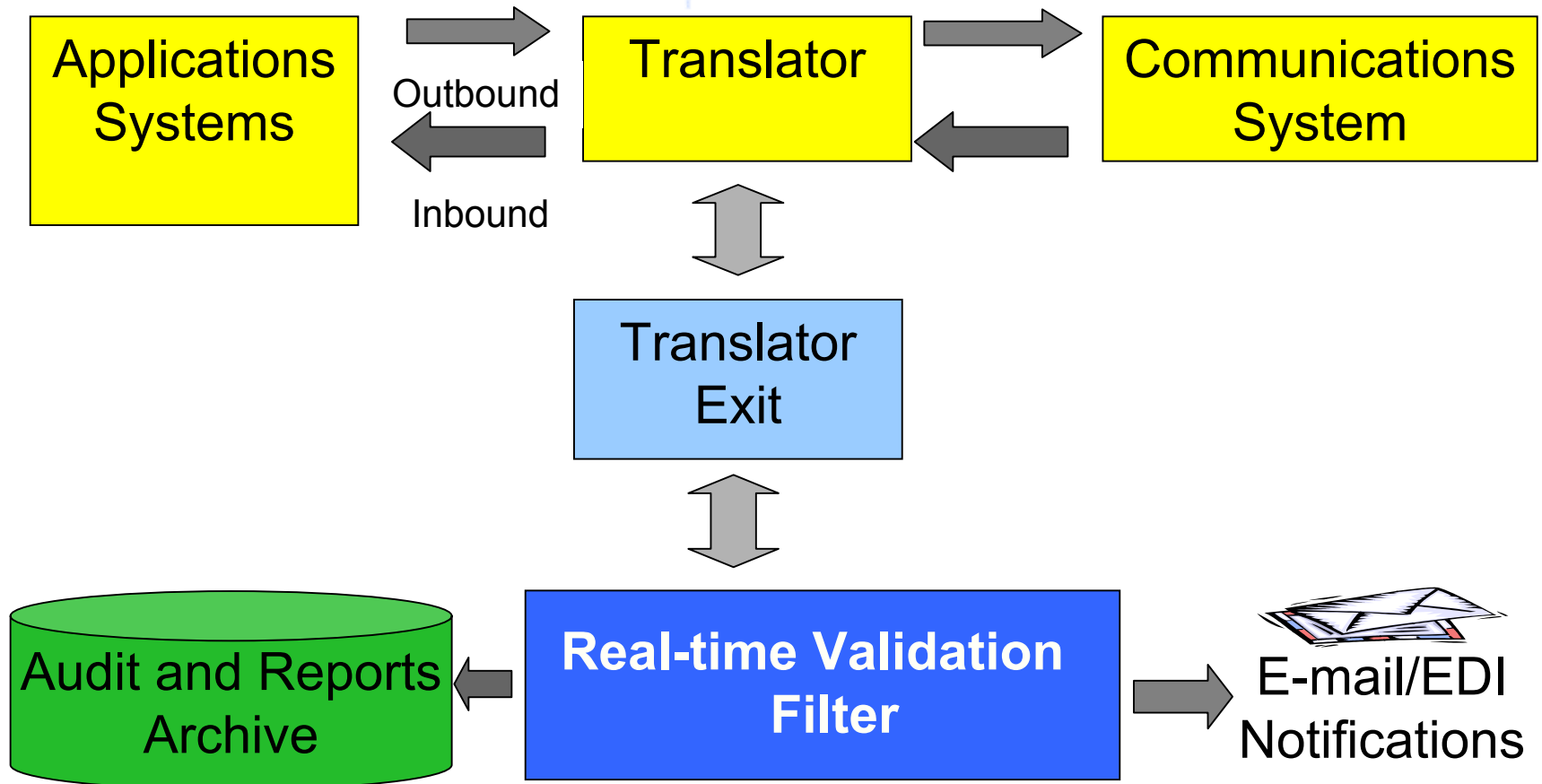
Live Validation: How it works
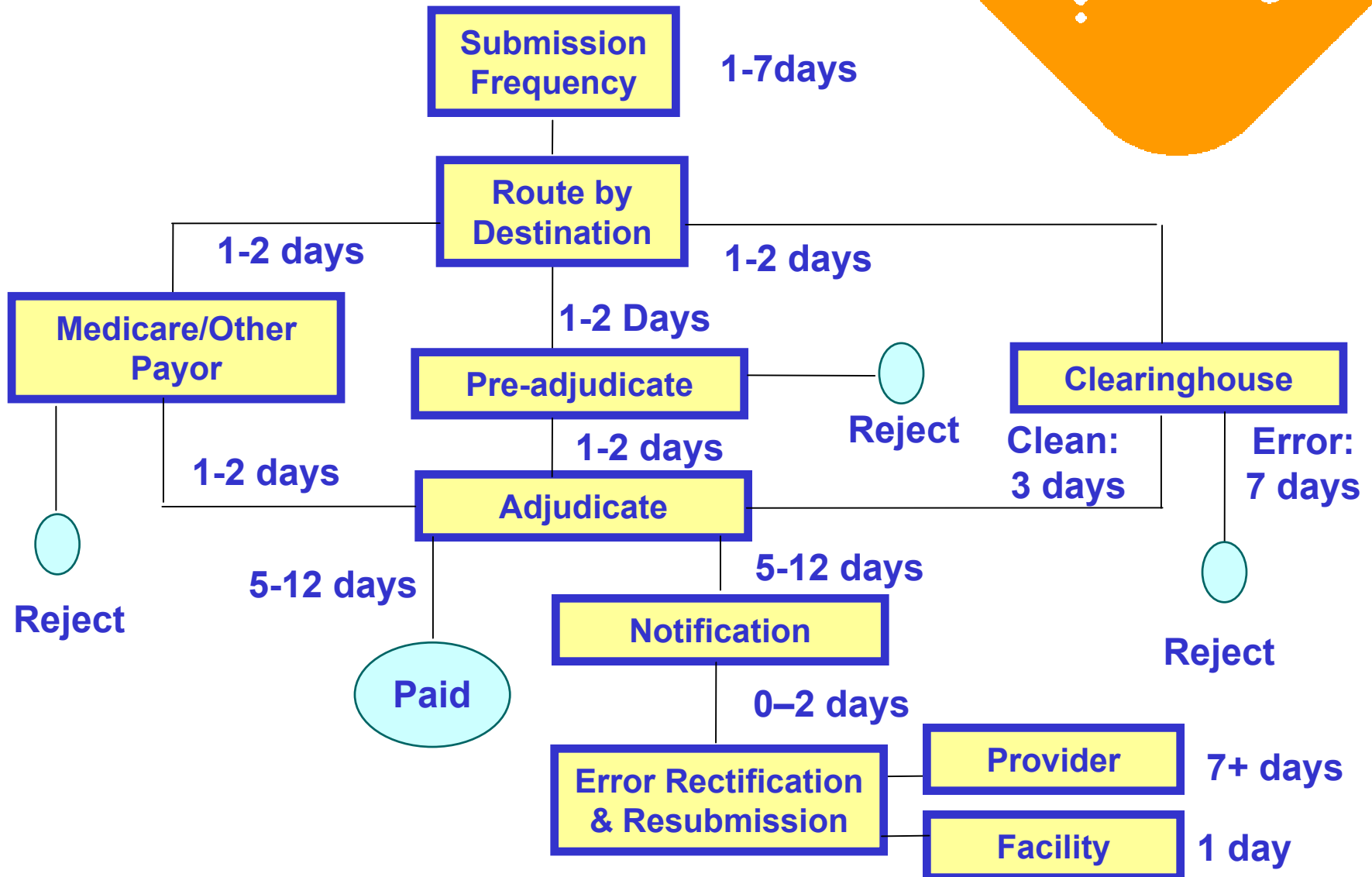
- Called by a process such as translation, PMS, HMS, etc. via choice of API

- Interchange, document, or claim level

- Memory-based single-pass process

- Splits & re-envelopes docs on the fly

- All output reports machine-readable *XML,positional, 824, 997, 270, etc.*

- Can tune error sensitivity

Claims Adjudication Process

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Submission Frequency — **1-7days**

Route by Destination

1-2 days   **1-2 days**

Medicare/Other Payor

1-2 Days

Pre-adjudicate — **Reject**

Clearinghouse

1-2 days

Clean: 3 days   **Error: 7 days**

Adjudicate

Reject

5-12 days   **5-12 days**

Reject

Paid

Notification

0–2 days

Error Rectification & Resubmission

Provider   **7+ days**

Facility   **1 day**

The Cost of Error Processing

- Claims adjudicated:
  - 8 days if error-free vs. 33 days w/errors
  - Reduce 60-day payment cycle to 35 days (42%)

- Reduction in Days Sales Outstanding
  - More efficient use of cash
  - Reduce need to borrow
  - Operational efficiency

- Other transactions = additional savings

Make HIPAA Work for You…

**Get a
real Return
on your HIPAA
Investment!**

Validation Filters…

- Perform more thorough testing than translators

- Are optimized for HIPAA

- Include external code sets

- Can split data based on any criteria

- Generate a wide range of acknowledgements

Summary

- Testing to date has been limited
- HIPAA errors are expensive
- Live validation filters transactions on the fly
- Minimizes rejections and adjudication problems
- Works for multiple transactions
- Have additional advantages over translators
- Key to rapid industry adoption

Get a* real *Return on your HIPAA Investment!

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Thank You!

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