

ASCA Transaction Extension and Resources to Help



Extending Your Compliance Deadline for Transactions & Code Sets

April 19, 2002

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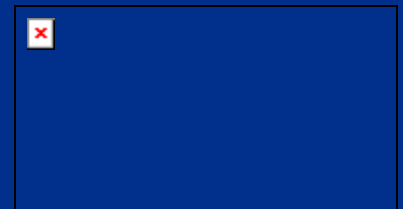
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BOUNDARY INFORMATION GROUP

- ◆ Virtual Consortium of health care information systems consulting firms founded in 1995
- ◆ Internet-Based
 - Company website: www.boundary.net
 - BIG HIPAA Resources: www.hipaainfo.net
- ◆ Senior Consultants with HIPAA Leadership Experience Since 1992
- ◆ Clients include:
 - Hospitals and multi-hospital organizations
 - Medical groups
 - Health plans
 - Vendors



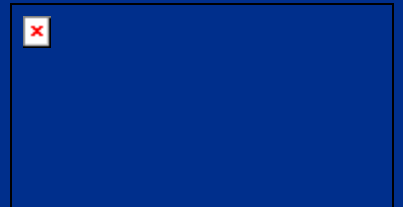
Workgroup on Electronic Data Interchange

- ◆ Nonprofit Trade Association, founded 1991
- ◆ 203 organizational members
 - Consumers, Government, Mixed Payer/Providers, Payers, Providers, Standards Organizations, Vendors
- ◆ Named in 1996 HIPAA Legislation as an Advisor to the Secretary of DHHS
- ◆ Website: www.wedi.org
- ◆ Strategic National Implementation Process (SNIP) - snip.wedi.org
- ◆ WEDI Foundation formed in 2001
- ◆ Steven Lazarus, WEDI Chair (2001-2002)



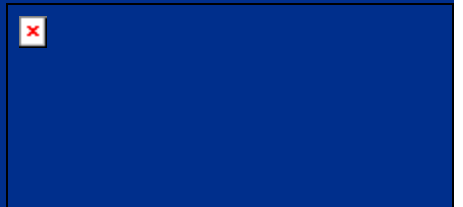
Administrative Simplification Compliance Act [P.L. 107.105]

- ◆ Affects Compliance with Regulation for Transactions & Code Sets
- ◆ Covered Entities [submitting plans by Oct 16, 2002] shall not be considered in noncompliance ...before Oct 16, 2003



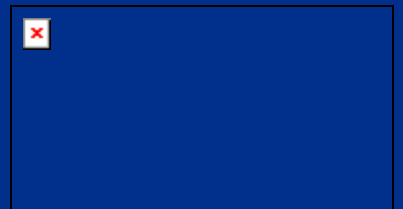
Conditions Regarding Extension

- ◆ Submission [of a plan for compliance] to the Secretary of HHS not later than Oct. 15, 2002
- ◆ Submission must contain a summary of how the person will come into compliance not later than Oct. 16, 2003



The Plan shall be a summary containing:

- (A) An analysis reflecting the extent to which, and the reasons why, the person is not in compliance
- (B) A budget, schedule, work plan, and implementation strategy for achieving compliance



The Plan Shall be a Summary: (cont.)

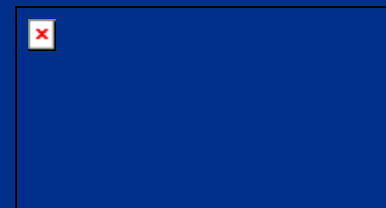
(C) Whether the person plans to use or might use a contractor or other vendor to assist the person in achieving compliance

(D) A timeframe for testing that begins not later than April 16, 2003



Enforcement

- ◆ Failure to submit a plan; and not in compliance MAY be excluded at the discretion of the Secretary from participation in Medicare
- ◆ Does not apply to persons who:
 - Submits a plan; or
 - who is in compliance on or before Oct. 16, 2002



Electronic Medicare Claims

- ◆ HHS prohibited from paying paper Medicare claims after Oct 16, 2003
- ◆ Secretary may grant waiver:
 - if no method available for submission of claims in electronic form
 - for small provider of services or supplier
 - provider of services with fewer than 25 FTEs
 - a physician, practitioner, facility or supplier with fewer than 10 FTEs
- ◆ beneficiary may file paper claims on own behalf



Assessment of Need & Filing Administrative Simplification Compliance Act of 2001

	Now – October 16, 2002	October 17, 2002 – October 16, 2003	October 17, 2003 – Future
No Extension Filed	Use current transactions in either standard	Use 2000 Standard	Use 2002 Standard
Extension Filed	Use Current Transactions		Use 2002 Standards

- ◆ 2000 Standard is the X12N 4010 Implementation Guides referred to in the August 2000 HIPAA Transactions Regulation and includes use of NDC codes instead of J Codes
- ◆ 2002 Standard refers to the December 2001 X12N 4010 Implementation Guides including the “Addenda” and deletion of the NDC codes which are expected to be published in 2002 as final regulations
- ◆ The extension timeline assumes that the new 2002 Transactions Final Rules are published by September 16, 2002

Quick and Dirty HIPAA Administrative Simplification Provider Benefit Calculation Estimator

Assumes implementation of all standard transactions, code sets, and identifiers; excluding cost of implementation and operations © 2002 Boundary Information Group	(1) Number of Staff	(2) 50% of (1)	(3) Salaries, benefits & overhead for (2) per yr
1. Business Office -- Staff posting paper insurance remittance -- Patient & insurance collections staff -- Error correction and insurance rebilling staff			\$
2. Managed Care Coordination -- Precertification/ preauthorization staff -- Eligibility and benefit verification			\$
3. Cash to bottom line -- Patient bad debt in dollars x 25% -- Insurance denials for lack of preapproval or timely filing x 25% -- 50% of postage and fees for patient statements	N/A	N/A	\$
Total annual operation saving potential (excluding EDI setup and transaction fees)	N/A	N/A	\$

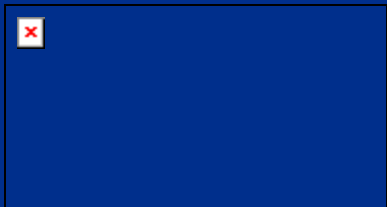
Provider Financial Benefits from Standard Transactions and Identifiers

- ◆ Hospital Surveys in California and Nevada
 - 16 Hospitals
 - 2.4 % of Response Average Annual Savings
 - Also significant one-time benefit from increased cash flow
- ◆ Physician Medical Groups
 - 20 Medical groups representing 1,000 physicians
 - 2.9 % of Revenue Average Annual savings
 - Also significant one-time benefit from increased cash flow



Extension Preparation Steps -- Planning

1. Obtain vendor upgrade specifications for all billing/payment and source systems
2. Decide which Transactions are required/desired
3. Order system upgrades
4. Implement all software application upgrades
5. Conduct a data gap analysis
6. Begin testing by April 16, 2003
7. Certify your implementation
8. Complete testing and go into production



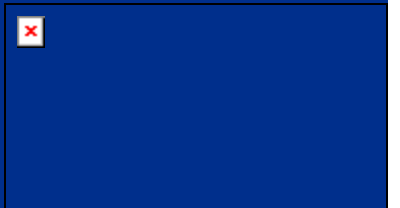
Extension Preparation Steps -- Budget

- ◆ Covers Transactions Only
- ◆ Includes:
 - Vendor support, training, upgrades
 - Consultants
 - Staff training
 - Data gap analysis
 - Certification
 - Contingency for health plan or provider system upgrade/conversion problems
 - Clearinghouse set up and ongoing fees



Testing

- ◆ Testing must begin by April 16, 2003
- ◆ Recommend testing begin ASAP
- ◆ Vendors are not covered and will need direction from customers
- ◆ Do not wait until September 2003 to complete testing



WEDI Compliance Task Force

- Key Recommendations to HHS:
 - Keep it simple!
 - “One size fits all”
 - Electronic and paper
 - Model form as tool to assist in developing compliance plans
 - Receipt is equivalent to being granted extension
 - Form to raise issues for NCVHS/CMS, not to challenge submitters
 - CMS is to develop form, instructions, glossary of terms, comprehensive resources



SNIP Transactions White Papers

- ◆ Sequencing
- ◆ Front-End Edits (draft)
- ◆ Clearinghouses Transactions and Connectivity (draft)
- ◆ Data and Code Set Compliance
- ◆ Trading Partner Agreements



SNIP Transactions White Papers (con't)

- ◆ Impact on DDE Services (draft)
- ◆ Testing and Certification
- ◆ Translator Selection
- ◆ Business-to-Business
- ◆ National Drug Code (NDC)



<http://snip.wedi.org>



Resources

- ◆ Extension Model Form --
www.cms.gov/hipaa/hipaa2/default.asp
- ◆ “HIPAA Administrative Simplification Compliance Act (ASCA) Frequently Asked Questions”
published by CMS -- www.hcfa.gov/medicaid/hipaa/adminsim/hascaq%26.ahtm
- ◆ WEDI -- www.wedi.org
- ◆ WEDI SNIP -- snip.wedi.org
- ◆ BIG -- www.hipaainfo.net