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## HIPAA X12 Transactions Testing and Certification

HIPAA Summit  
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### Topics

- HIPAA compliance testing
- Current testing process
- Transaction compliance testing
  - Incoming
  - Outgoing
- Certification, what is it?
- Challenge
- Paradigm change

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## Compliance Testing in HIPAA

- Level 1 – Developmental testing
  - Done by NCPDP/X12N/HL7 while developing transactions
- Level 2 – Validation testing
  - Testing of sample transactions to see whether they are written correctly
- Level 3 – Production testing
  - Testing of a transaction from the sender through the receiver's system
- “Pilot Production” Projects recommended. Level 2½ ?
  - Not mandatory, only voluntary
- Who certifies the “compliance tester” ?
  - HHS declined to certify the certifier.

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## Gartner Research

“For HIPAA to work, more than 13 million pairs of a payer and a provider must implement an average of 2.2 transactions each.”

- Assuming only one analyst day per transaction, the industry would need 2.9 Million analyst months to implement HIPAA

Research Note K-13-0374

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## Testing today

- Find trading partner that agrees to test with you
  - Typically one that will eventually benefit from your transactions
- Send test files
- Get test report from trading partner
- Correct errors found by trading partner
- Repeat the cycle until no more errors



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## What the testing covers

- Telecommunications
- Security, authentication, access
- Data format issues
- Data content issues
  - Generic HIPAA requirements
  - Trading partner specific requirements
- Business rules
  - Some are HIPAA, some are trading partner specific requirements

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## The result of this testing

- Trading partner does not care about certain data elements
  - No errors reported this time
- Trading partner requires some data elements
  - Not an error for anybody else
- Is the error in the sender or the receiver of the transaction?
  - Cannot tell for sure. Different interpretations.

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## The end result of today's method of testing

- Repeat the testing for each trading partner.
- Common HIPAA requirements tested again from scratch each time.
- Never sure of whether the testing is:
  - Complete
  - Correct
- Very expensive, wasteful, process.

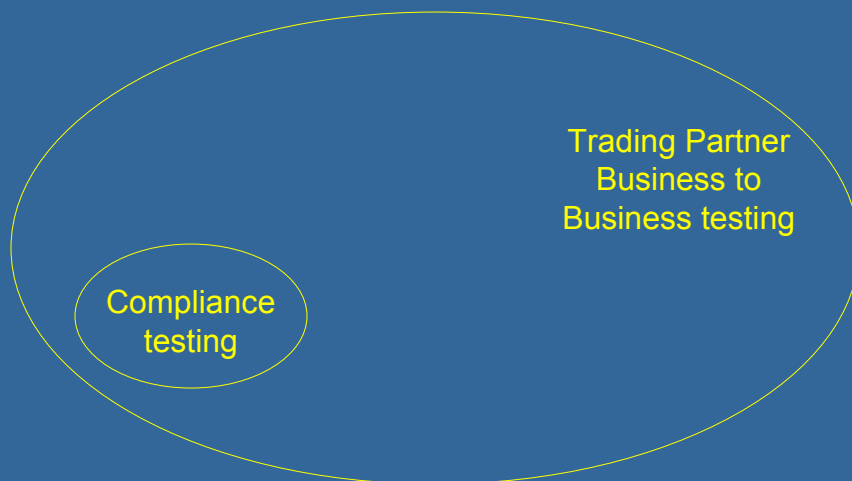
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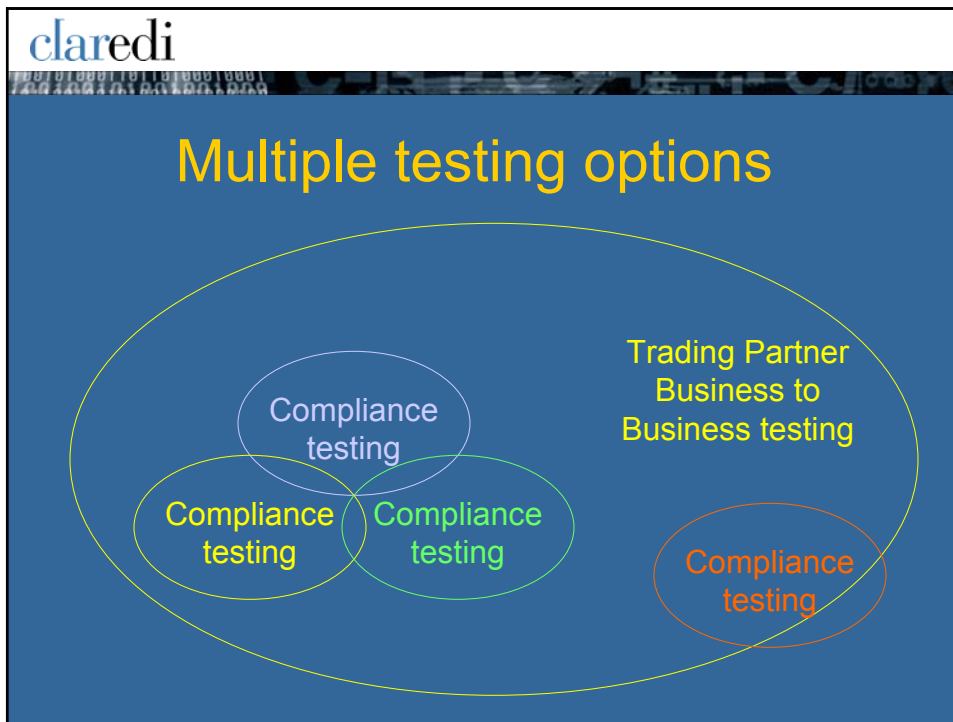
## The SNIP approach

- Compliance testing
  - Your own system, Independent from trading partners.
  - Structured testing, complete testing.
- Business to Business testing
  - Assume both trading partners are already compliant. Don't repeat the compliance testing part.
  - Test only peculiar TP issues.

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## Role of Compliance Testing





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- The slide, titled "SNIP Compliance testing", lists the following "Levels" of testing recommended by SNIP:
- “Levels” of testing recommended by SNIP:
    - EDI syntax integrity
    - HIPAA syntactical requirements
      - Loops, valid segments, elements, codes
    - Balancing of amounts
      - Claim, remittance, COB, etc.
    - Situational requirements
      - Inter-segment dependencies
    - External Code sets
      - X12, ICD-9, CPT4, HCPCS, Reason Codes, others
    - Product Type, Specialty, or Line of Business
      - Oxygen, spinal manipulation, ambulance, anesthesia, DME, etc.

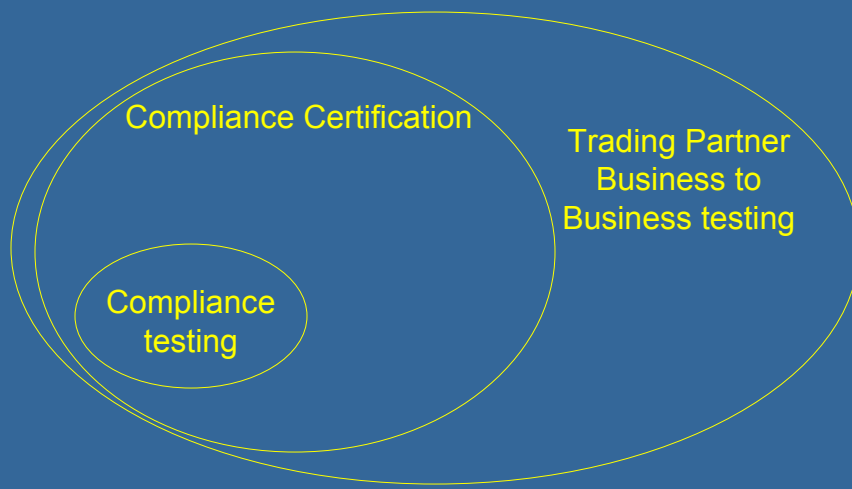
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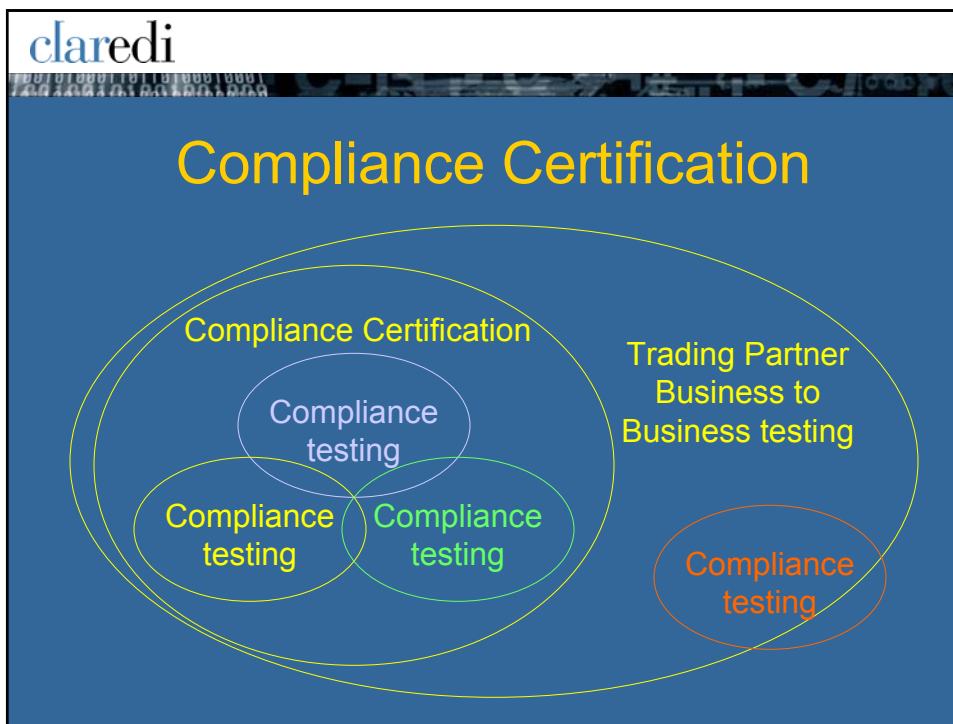
## SNIP Compliance Testing

- All “levels” or types of test are required
  - Cannot stop at an arbitrary point
- Required compliance testing BEFORE starting the Business to Business testing process
- Strong recommendation for third party Certification of compliance


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## Compliance Certification





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- The slide, titled "Certification under HIPAA", lists the following points:
- Voluntary "Compliance Testing"
  - Self Certification
    - What is the value?
  - Third party certification
    - Not required by HIPAA
    - Independent Verification and Validation mechanism for all trading partners
    - May be required by trading partner as part of the Trading Partner Agreement
  - Who certifies the certifier?
    - HHS declined this role.




## Breaking the cycle

- Early phase **testing** system.
  - Start testing as early as possible.
  - Confidential Testing against a neutral third party, not my trading partner.
  - Know where you are.
- Late phase **certification** system.
  - Now I am really ready.
  - I want the world to know.

Claredi - Report - Microsoft Internet Explorer

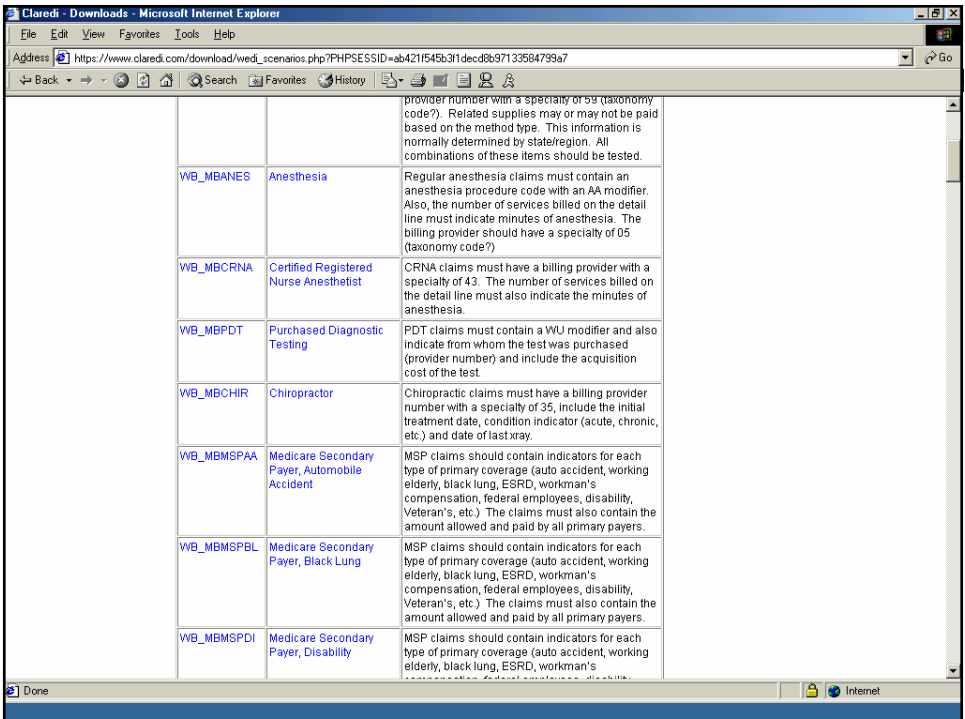
Address: on&w3=on&h4=on&b4=on&w4=on&h5=on&b5=on&w5=on&h6=on&b6=on&w6=on&h7=on&b7=on&w7=on&TstSubmissionID=1078&what=both&report=Click+here+for+the+analysis+report

22			DTP*938*D8*20010306~
23			DTP*431*D8*19971010~
24			HP*BK*V420*BF*V426~
24	H20657	2300	Loop NM1 (2310E) (Rendering Provider Name) at 3-250 not found, but was expected because the Billing/Pay-To Provider (PRV) is not present
25			LX*1~
26			SV1*HC*J7510*1236.75*UN*100***1**N~
27			PWK*CT*AB~
28			DTP*472*RD8*20010310-20010410~
28	B31002	2400/DTP-03	The 'Service Date' cannot be after the 'Transaction Set Creation Date' (BHT-04)
29			DTP*011*D8*20010305~
30			REF*BR*AB456~
30	H40139	2420	Missing Segment DTP for 'Order Date' (DTP-01-938) in Loop 2400. Required when Ordering Provider (Loop 2420E) is present.
			NM1*DK*1*Soothum*Sarah****34*986721245~
31	H20628	2420E/NM1-09	The value "986721245" found in NM109 (D.E. 67) at col. 30 does not look like a valid SSN.
32			N3*HEALING CLINIC*1 CLINIC ROW~
33			N4*ANYTOWN*MD*21299~
34			REF*1G*A54322~
35			PERTIC*Sarah Soothum MD*TE*4441234567~
35	H20656	2420E	Segment PER (Ordering Provider Contact...) at 3-530 wasn't expected because the Arterial Blood Gas Quantity (CR5-10) is not present&240000BeCR511*NEXIST'
36			LO*UT*0802~
36	H20656	2440	Loop LQ (2440) (Form Identification Code) at 3-551 wasn't expected because the Attachment Transmission Code (PWK-02) is 'AB-Previously Submitted to Payer'
36	H20160	2440/LQ-01	The 'Form Identification Code' indicates a DMERC CME form but none was found in 2400.PWK-02
37			FRM*1A**J7510~
38			FRM*1B**500~
39			FRM*1C**4~
40			FRM*4**Y~
41			FRM*5A**5~



## Compliance testing

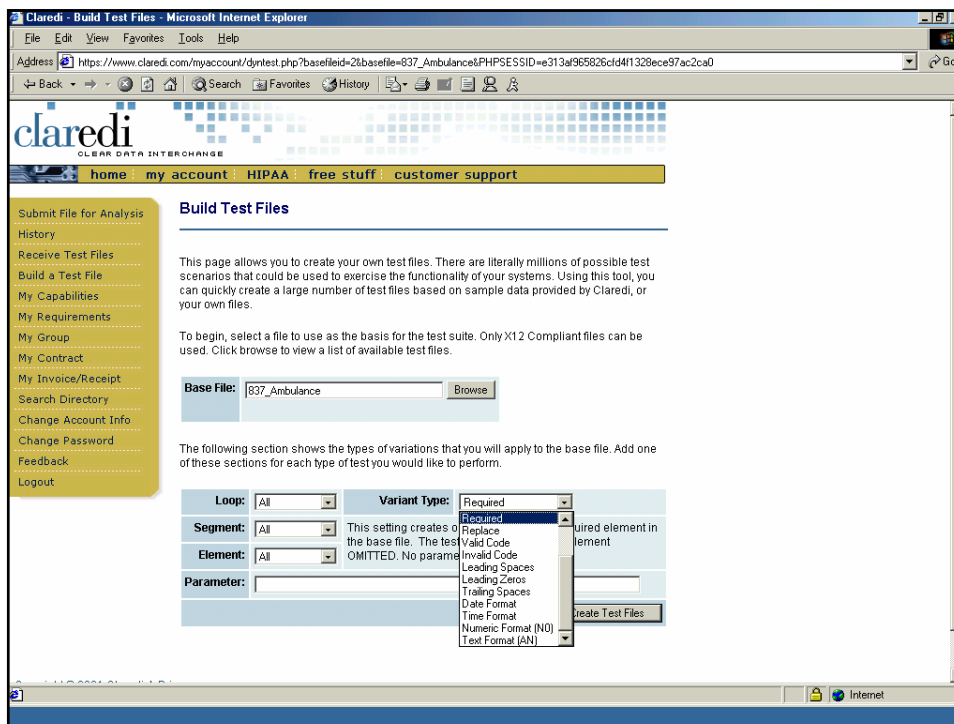
- Testing in both directions
  - Outgoing transactions
  - Incoming transactions
- Test for all SNIP test types (“levels”)
- HIPAA Compliance
  - Specific requirements in the IGs
- Business requirements
  - Fuzzy general “industry knowledge”



Claredi - Downloads - Microsoft Internet Explorer

Address [https://www.claredi.com/download/wedi\\_scenarios.php?PHPSESSID=ab421f545b311decd8b97133584799a7](https://www.claredi.com/download/wedi_scenarios.php?PHPSESSID=ab421f545b311decd8b97133584799a7)

		provider number with a specialty of 55 (taxonomy code?). Related supplies may or may not be paid based on the method type. This information is normally determined by state/region. All combinations of these items should be tested.
WB_MBANES	Anesthesia	Regular anesthesia claims must contain an anesthesia procedure code with an AA modifier. Also, the number of services billed on the detail line must indicate minutes of anesthesia. The billing provider should have a specialty of 05 (taxonomy code?)
WB_MBCRNA	Certified Registered Nurse Anesthetist	CRNA claims must have a billing provider with a specialty of 43. The number of services billed on the detail line must also indicate the minutes of anesthesia.
WB_MBPDT	Purchased Diagnostic Testing	PDT claims must contain a WU modifier and also indicate from whom the test was purchased (provider number) and include the acquisition cost of the test.
WB_MBCHIR	Chiropractor	Chiropractic claims must have a billing provider number with a specialty of 35, include the initial treatment date, condition indicator (acute, chronic, etc.) and date of last xray.
WB_MBMSPPA	Medicare Secondary Payer, Automobile Accident	MSP claims should contain indicators for each type of primary coverage (auto accident, working elderly, black lung, ESRD, workman's compensation, federal employees, disability, Veteran's, etc.) The claims must also contain the amount allowed and paid by all primary payers.
WB_MBMSPLB	Medicare Secondary Payer, Black Lung	MSP claims should contain indicators for each type of primary coverage (auto accident, working elderly, black lung, ESRD, workman's compensation, federal employees, disability, Veteran's, etc.) The claims must also contain the amount allowed and paid by all primary payers.
WB_MBMSPTD	Medicare Secondary Payer, Disability	MSP claims should contain indicators for each type of primary coverage (auto accident, working elderly, black lung, ESRD, workman's compensation, federal employees, disability, Veteran's, etc.) The claims must also contain the amount allowed and paid by all primary payers.



The slide features the Claredi logo at the top left. The main title is 'Certification vs. Testing' in large yellow font. Below the title is a list of bullet points:

- Testing is for yourself, or between yourself and your trading partners
- Certification is by third parties
- Certify once, use certification in many trading partner relationships
  - Simplify testing
  - Reduce cost of testing phase
- Certification should be recognized by all trading partners
- Certification must be done by a neutral third party
- Certification process must be disclosed, verifiable, and accepted by industry

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## The “vendor will fix it” myth

- My vendor / clearinghouse is HIPAA compliant. Why should I have to worry about it? They are going to take care of my HIPAA EDI compliance for me.
  - Providers and payers **MUST** get involved.
  - This is **NOT** an IT problem.
  - There are profound business implications in HIPAA.

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## The “Blanket Approval” myth

(Is testing of the vendor/clearinghouse enough?)

- The issue is Provider Compliance
  - Provider’s responsibility to be HIPAA compliant
- Each Provider is different
  - Different provider specialty ⇒ different requirements
  - Different software version ⇒ different data stream and contents
  - Different EDI format to clearinghouse ⇒ different content capabilities
  - Different provider site install ⇒ different customization
  - Different users ⇒ different use of code sets, different data captured, different practices, etc.
- Vendor’s capabilities not the same as provider’s
  - Vendor or clearinghouse has the **aggregate** capabilities of all its customers
  - The Provider does **not** have all of the clearinghouse or vendor capabilities

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## Certification Challenge

- Each entity has unique requirements
  - Commercial business, HMO, Medicare
  - Generalist, specialist, ambulance, anesthesiologist, chiropractor, DME, etc.
- A “generic” certification is meaningless
- What does it mean to be “certified”?
- Must consider submitter capabilities and receiver requirements

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## Medicare 837 Professional

- Type of claim
  - Simple claim
  - Anesthesia
    - Anesthesia with CRNA
  - Ambulance
  - Spinal manipulation
  - Inpatient professional services
  - Outpatient professional services
  - Laboratory
  - Etc. (also each Bill Type for Institutional claim!)
- Different **data** requirements

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## Medicare 837 Professional

- Type of Payer
  - Medicare Primary
    - without COB
    - COB to Medicaid
    - COB to Medigap
    - COB to Commercial
  - Medicare Secondary
    - without further COB
    - COB to Medicaid
    - COB to Medigap
    - COB to Commercial
- Different **data** requirements

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## Certification of 837 Professional

- Additional Claim elements (“features”)
  - Pay-to Provider
  - Representative Payee
  - Referring Provider
  - Purchased Service Provider
  - Patient Amount Paid
  - Prior Authorization
  - Etc.

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## Trading Partner Specific

- Unavoidable under HIPAA
- Business Requirements
  - State mandates
  - Contractual requirements
- How do we communicate to providers and vendors
  - Companion Documents
    - Human readable
  - Computerized verification of “match”
    - One-on-one “gap” analysis

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## New paradigm

- Testing for X12/HIPAA requirements
  - Satisfies my transaction needs
- Certification of compliance
  - Reference point for others
- Certify transaction “subsets”
  - Enables interoperability
- Matching of capabilities and requirements
  - Satisfies my trading partner’s needs

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## Contact

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