

## How to deal with HIPAA testing anxiety while processing and paying claims

HIPAA Audioconference

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## Introduction

- Claredi
  - Leading health care HIPAA transaction testing and certification service.
  - Unique transaction testing rules defined by writers of the Implementation Guides, X12 chairs and CMS.
  - HIPAA transactions testing is the only business.
  - Endorsed by the AHA and EHNAC.
- Kepa Zubeldia, M.D.
  - Leading healthcare EDI since 1982.
  - Past Chair of the Association for Electronic Healthcare Transactions. Past Co-Chair of X12N Steering Workgroup. Co-Chair of WEDI Security PAG.
  - Recipient of 2002 Ed Guilbert Award and WEDI's Leadership in Technology Award.
  - Member of NCVHS.

## Start testing today

- ASCA requires a testing schedule that starts no later than 4/16/03.
- Covered entities filing for ASCA agreed to do this.
- No enforcement plans for the testing requirement in ASCA.

## A dual path

- Testing can be conducted at the same time as you are running production transactions.
- Testing should not disrupt your production.
- Once your testing is complete, you decide when to switch over to the HIPAA transactions.

## Common misperception

- If your test results are not “perfect” you will not be able to switch to the HIPAA transactions in production.
- Not true. Payers have different degrees of tolerance for imperfections. Examples:
  - Leading / trailing zeroes in \$ amounts.
  - Missing COB information.

## The sky is NOT falling

- The healthcare industry cannot sustain a disruptive switch-over.
- Both payers and providers want the switch-over to be as smooth as possible.
- How can we turn this into a non-event?
  - Almost as simple as 1, 2, 3 😊

## 1: Early self-compliance

- Both payers and providers ought to test their own compliance with the HIPAA transactions well in advance of the October 16 deadline.
  - Use a well designed testing methodology.
  - Include the 7 types of testing from WEDI SNIP white paper.
  - Starting today!

## 2: Early remediation

- A provider/payer that has problems with his/her own compliance will need to do something about it.
  - Transaction data gap analysis.
  - Correct business practices to capture the required data.
  - Engage PMS/HIS vendor to correct technical problems.
  - Measure your own progress towards compliance. Set goals, deadlines.

### 3: Measured compliance

- Test with your trading partners.  
Measure results of this testing.
  - Error rate (rejected claims) is too high.  
Correct your own system to reduce errors and lower rejection rate.
  - Error rate is acceptable. Success. Go to Production.
- Measure results of “production data”.
  - Correct your system again if necessary.

### Setting expectations

- The EDI systems of today are not perfect:
  - Typically 2-5% of transactions are rejected by payer/clearinghouse.
- Rejection rates under HIPAA should be similar.
  - If a payer sees that its own system is rejecting more than 10% of the HIPAA claims coming in production, that payer should “adjust” its front end edits to reject fewer claims.
  - If a provider sees that more than 10% of the HIPAA claims are rejected by multiple payers, that provider should make changes to have fewer claims rejected by the payers.

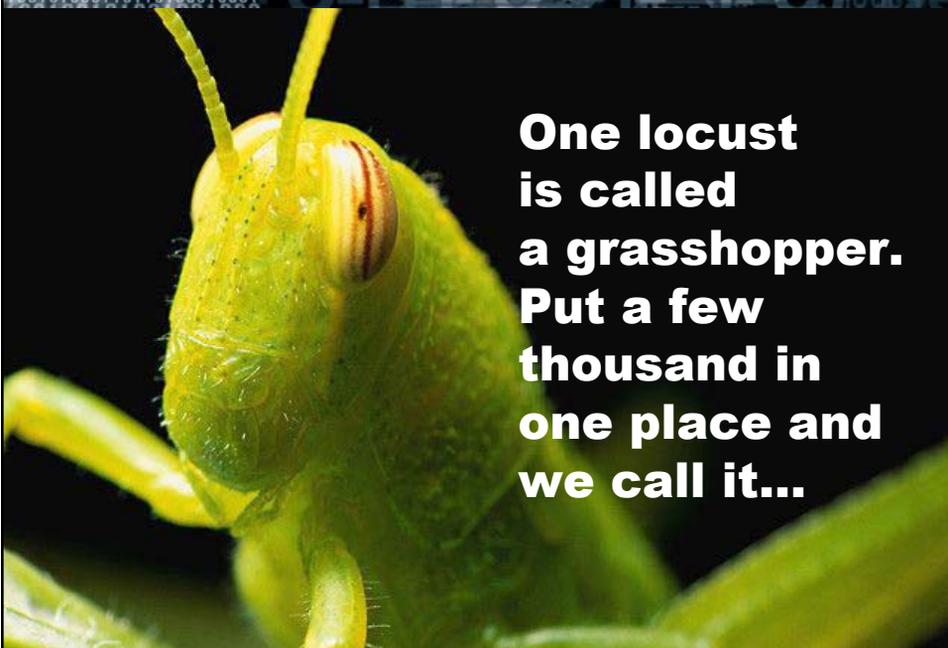
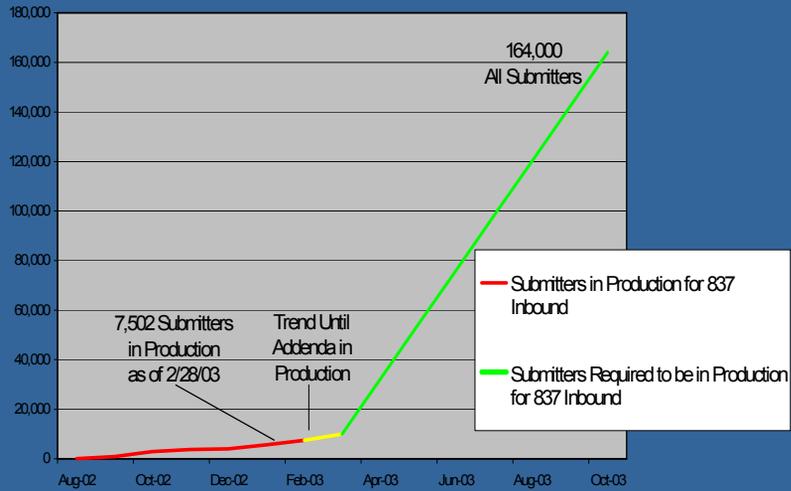
## Avoid anxiety

- Know where you stand with your transactions.
- You should not wait for your trading partners to be ready.
- Prepare to change your business practices:
  - Early changes as a result of the transaction data gap analysis.
  - Second round changes from feedback on your production transactions.

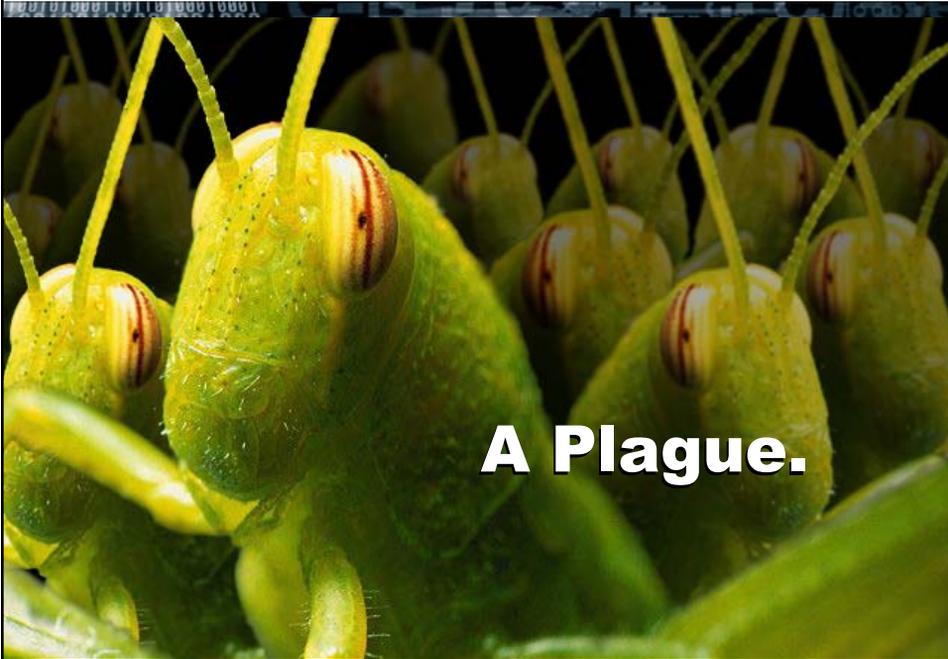
## Looking into crystal ball...

- The switch over will be disruptive for those that have not done their homework and are expecting others (eg., payer, vendor, clearinghouse) to take care of them.
- The switch over will be a non-event for those that have done their own homework and taken responsibility for their own compliance.

## Where is CMS' testing?



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**A Plague.**

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