Analysis of Proposed Rules Regarding Transactions/Code Sets (5010 & D.0 included) and the ICD-10

Steven S. Lazarus, PhD, CPEHR, CPHIE, CPHIT, FHIMSS

Moderator

September 3, 2008

Steve Lazarus, Boundary Information Group
Health IT Certification, LLC

- Business process consultant focusing on electronic health records, and electronic transactions between organizations
- Former positions with MGMA, University of Denver, Dartmouth College
- Active leader in the Workgroup for Electronic Data Interchange (WEDI
- Speaker and author (two books on HIPAA Security and one on electronic health records)
- Recipient of Vision and Leadership Award as WEDI Chairman, WEDI Corporate Leadership Award, and WEDI Distinguished Service Awards
- Consultant to CAQH CORE Project
- HIPAA Expert Witness

Strategies for workflow, productivity, quality and patient satisfaction improvement through health care information

- **Strategic IT business process planning**
- **ROI/Benefits realization**
- **Project management and oversight**
- **Workflow redesign**
- **Education and training**
- **Vendor selection and enhanced use of vendor products**
- **Facilitate collaborations among organizations to share/exchange health care information**
- **EHR and RHIO training and facilitation**

Introduction and Significance of these two NPRMs: Overview and Timeline and Compliance Dates

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HIPAA Regulation Status
2008-2013 as of August 27, 2008

HIPAA Regulation	NPRM Publication Date	Final Rule Publication Date (Expected)	Compliance Date (Expected)
Claims Attachments, X12 V. 5010 and HL7 CDA Release 2	September 23, 2005	2009-2011	2011-2013*
X12 5010 Modification of 8 Existing 4010 Transactions	August 22, 2008	December 2008 – December 2009	April 1, 2010
NCPDP Telecommunication Standard V. D.0 and Batch Equivalent V 1.2	August 22, 2008	December 2008- December 2009	April 1, 2010
NCPDP Medicaid Subrogation Standard V. 3	August 22, 2008	December 2008 – December 2009	2011-2012*

* Additional 12 months for small health plans

HIPAA Regulation Status
2008-2013 as of August 27, 2008

HIPAA Regulation	NPRM Publication Date	Final Rule Publication Date (Expected)	Compliance Date (Expected)
NCPDP Batch Standard V. 1.2	August 22, 2008	December 2008 – December 2009	April 1, 2010
ICD-10	August 22, 2008	December 2008 – December 2009	October 1, 2011
Privacy Modification	2009 (Expected)	2010 (Expected)	2011-2012
National Health Plan Identifier	No Activity		
National Patient Identifier	No Activity		
First Report of Injury	No Activity		

Note: All expected dates are predictions by Boundary Information Group based on a combination of HHS published dates and experience.

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NPRMs – 5010, D.0, and ICD-10

- Publication in Federal Register August 22, 2008
- Comments due October 21, 2008
- For 5010 and D.0
  - Industry internal review for changes – begin September 2008
  - Internal/External Testing by April 2009
  - CMS expects to have full compliance by April 2010
    - Short process for review of comments and posting of final rule?

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NPRMs – 5010, D.0, and ICD-10

- For ICD-10
  - Industry begin design and documentation June 2009
  - Industry build and internally test system changes December 2009
  - Test with trading partners July 2010 – October 2011
  - Full compliance October 2011

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5010? Why?

- Current transactions are over six years old
  - More than 500 industry requested changes via DSMO
  - Many more industry requested changes via ASC X12
- Addresses problems encountered with 4010A1
- Improvements to implementation instructions
  - More consistent implementations by trading partners
  - Should reduce Companion Guide TP requirements

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General Changes to all Transactions

- More standardized front matter
- Addressed industry needs missing from 4010
- Clarified intent where previously ambiguous
- Clarified, added, or deleted code values and qualifiers:
  - To address industry requests
  - To reduce confusion from similar or redundant
- TR#'s (Implementation Guides) "Free" for 4010, must be purchased 5010

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Eligibility, Claims, Remittance and Pharmacy Changes

- ASC X12 837 Claims and 835 Remittance Advice – Gary Beatty
- 270/271 Eligibility and Benefit Inquiry and Response – Rachel Foerster
- NCPDP Retail Pharmacy, Lynne Gilbertson

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834 – Enrollment/Disenrollment
820 – Premium Payments

- 834 – Enrollment/Disenrollment:
  - Allow usage of ICD-10 for reporting pre-existing conditions
  - Privacy issues addressed
  - Added codes to explain coverage changes
  - Clarifies usage of coverage dates
- 820 – Premium Payments:
  - Ability to report additional deductions from payments
  - Method used to deliver remittance
  - Simplifies and clarifies when adjustments to previous payments are needed

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276/277 – Health Care Claim Status

- Eliminated sensitive patient information that was unnecessary for business purpose
- Added pharmacy related data segments and the use of NCPDP payment reject codes
- Increased claim status segment report to > 1 for more detailed status information
- Added more examples to clarify instructions

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278 – Referral Certification and Authorization

- Little implementation due to constraints under 4010
- Added segments for reporting key patient conditions
- Added/expanded support for various business needs
- Expanded usage for authorizations

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Beyond the Transactions – Implementation Challenges: provider Billing and EHR Systems, Training, and Management Issues; Health Plan EDI Systems, Disease Management, Reimbursement Schedule Calibration and Management Issues; Data Warehouse Data Conversion/Mapping; and Health Information Exchange

Presented by:

Steven S. Lazarus, PhD, CPEHR, CPHIE, CPHIT, FHIMSS

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The Reality of Transforming an NPRM into Live Production

- Every vendor, provider, clearinghouse, and health plan will go through the following steps:
  - Plan
  - Act
  - Implement
  - Test
  - Production
- Together, these steps take from several months to more than a year

The Realty of Success for Vendors

- Vendors will not risk an investment in the changes until a final rule has been published and 60 days have passed (reference the 2000-2003 experience)
- Most vendors budget product upgrades during the last quarter of the calendar year and implement the upgrades during the next or the subsequent calendar year
- The publication of TCS Modification Final Rule in late 2008 – mid-2009 results in product upgrades being delivered to market during the last quarter of 2010 for customer testing and implementation

The Realty of Success for Vendors

- Reality is that the shortcut that many vendors and their customers will take if the anticipated April 1, 2010 date sticks is to only provide for the new data elements (e.g., ICD-10), and that the correct format can be produced; and implement that quickly without changing anything else to support a better business case
- Vendor hesitancy to invest and commit prior to 60 days after publication of the final rule is based on the uncertainty of actions that will be taken by a new administration and the track record of CMS of taking much more than a year to transition from NPRM to final rule for most of the HIPAA rules

The Reality of Success for Health Plans

- Today most health plans can not produce a compliant 835 remittance advice
- Today most health plans can not provide real-time eligibility response information that is current and complete enough to avoid making a telephone call to the health plan
- Many health plans are lax in requiring their health plan sponsors to enroll and disenroll beneficiaries in a timely fashion so that their eligibility information would be current and correct, and not subject to retroactive adjustments

The Reality of Success for Health Plans

- Five years after TCS required use in 2003, many health plans today are still struggling with issues around the use of repricers, outsourcing of components of the health plan that can be included in the policy remaining deductible (e.g., vision, drugs, behavioral health) and claims adjudication systems that do not communicate real-time with eligibility systems. The transition from ICD-9 to ICD-10 will be very expensive for health plans and take a long time, so that those that want to transition both the TCS modifications and ICD-10 together will not be ready with their TCS modification capabilities to go live until well after 2010

The Reality of Success for Provider

- Most providers have not obtained value from the initial implementation of TCS because their practice management systems/hospital billing/registration systems do not have the capability of collecting the data up front and/or processing eligibility transactions real-time and inserting them into the workflow where the appointment scheduling/check-in/check-out/processes occur; and therefore achieve no value from the potential savings
- Many health plans cannot produce a standard 835 and many of those that are produced are non-compliant because they do not balance
- Many of the business needs for addressing High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs) are not addressed in the 5010 transactions

The Reality of Success for Provider

- Congress made a good run in 2008 to cut physician reimbursement significantly, and only after the July 1 deadline retroactively passed an increase that is only good for 18 months. Physicians feel that they do not have the financial resources to invest in anything but the bare minimum changes to meet compliance and therefore are reluctant to invest in the additional capabilities that can add real value

The Reality of Success for Clearinghouses

- Clearinghouses will have to meet these modifications and address ICD-10 in a timely fashion in order to stay in business
- Clearinghouses will have extreme difficulty testing their system changes because health plans and provider vendors will be late in delivering their upgrades
- Clearinghouses will have to spend a lot of money training their clients on these changes and helping them understand whether or not they need to replace their billing systems in order to be able produce the data required for the TCS modifications and ICD-10

TCS Modification Implementation and ICD-10 Are More Than Just the Transactions

- The transactions are just the tip of the iceberg
- Every patient registration, billing, electronic health record system must be upgraded, tested, and personnel retrained in order to implement the data feeds for the TCS modifications and ICD-10
- Data warehouse, clinical data repository, tumor registry, and similar clinical databases have to be reviewed to understand how the ICD-9 to ICD-10 transition will be applied to that data resources. There are several options:
  - Don't address the transition at all and maintain the diagnosis codes as they were originally created with the result that longitudinal trending across the 2011 will be impossible or very costly for each use

TCS Modification Implementation and ICD-10 Are More Than Just the Transactions

- Add a new data field to the data warehouse for every existing diagnostic field so that both ICD-9 and ICD-10 can be accounted for in the database. Then map the existing ICD-9 data to ICD-10 for trend analysis and longitudinal analysis on specific patients. Since the mapping is not one to one, computer logic and manual intervention are required to undertake the mapping.
- In the absence of one agreed to approach for mapping from ICD-9 to ICD-10, every trading partner will do its own mapping and data shared across trading partners for services provided before September 30, 2011 that are used after October 1, 2011 will not be able to be addressed in a computable form. Disease management, health information exchange, drug trials, and other similar projects are examples of areas where expenditures will rise considerably or the quality of the work will diminish.

TCS Modification Implementation and ICD-10 Are More Than Just the Transactions

- Electronic Health Record systems will have to be reviewed for every decision support program and every alert to make sure that they fire correctly based on ICD-10 codes used after October 1, 2011.
- Since all health plans will convert on the same day from ICD-9 to ICD-10, every member of the provider workforce including all of their support staff associated with billing, coding, pricing, and scheduling, will have to be trained in ICD-10 during the week of September 26, 2011. (This might not be the best time to seek care as a patient.)

How Can We As An Industry Mitigate Some of These Issues?

- Build an industry consensus-based mapping from ICD-9 to ICD-10 by October 1, 2010 (as an example date)
- Move the 5010 and NCPDP modifications for TCS to a reasonable date to at least 18 months after the rule is published – My recommendation would be 24 months
- Recognize the physicians and other providers will be spending additional funds to meet these changes over a two to three year period of time. Congress should agree to a reasonable annual increase in Medicare reimbursement through at least six months after the TCS and ICD-10 implementation timeframes in order to instill physicians confidence that they will have the money to pay for these changes

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How Can We As An Industry Mitigate Some of These Issues?

- Provide a forum for dialogue between providers and health plans regarding what the ICD-10 implications are on underwriting, reimbursement changes, and similar matters which effect the payment amounts on the part of health plans and the reimbursements received on the part of providers resulting from this change. While competitive proprietary information must be respected, it would be very helpful to create a transparent dialogue among providers, patients, and health plans as to how reimbursement is going to be effected by these changes. Patients are included because as HDHPs increase in use, they will become more responsible for direct payment of many health care services. The time to start this dialogue is now as it will take some time to figure out how this can be best accomplished in a way that is helpful and productive to everyone.

How Can We As An Industry Mitigate Some of These Issues?

- We need to figure out how the investors can get value out of these changes. That is likely to **require real-time for many of the transactions by all parties** and the required use of data elements that are either not considered at all today or are situational (some of the situational data elements have been revised to "required" in the 5010, which does help)
- Deployment of education programs through partnerships across diverse participants in the health care industry, so that all parties are hearing the same message and taking action steps along similar paths with the same assumptions
- None of these approaches will shorten the implementation timeline

Contact Information

- Steven S. Lazarus, PhD, CPEHR, CPHIT, FHIMSS
- (303) 488-9911
- sslazarus@aol.com
- Boundary Information Group
- www.boundary.net
- Health IT Certification, LLC
- www.healthitcertification.com

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