

claredi

HIPAA X12 Transactions Testing and Certification

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Topics

- Claredi
- HIPAA compliance testing
- Transaction testing
 - Incoming
 - Outgoing
- Telecom testing
- Outsourced testing
- Certification
- Challenges

Claredi, the company

- Incorporated in Utah October 18, 2000.
- Privately held.
- Partnership with FORESIGHT
- Currently 14 FTE
 - Vendor, Clearinghouse, X12 experts
- Panel of experts building test system
 - Implementation Guide authors
 - Select X12N/TG2 workgroup chairs

Compliance Testing in HIPAA

- Level 1 – Developmental testing
 - Done by the SDOs 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.

Testing Outgoing transactions

- Six levels of testing recommended by SNIP:
 - X12 syntax integrity
 - Implementation Guide requirements
 - Loops, valid segments, elements, codes
 - Balancing of amounts
 - Claim, remittance, COB, etc.
 - Code sets
 - X12, ICD-9, CPT4, HCPCS, Reason Codes, others
 - Situational requirements
 - Inter-segment dependencies
 - Specialty or Line of Business
 - How is “situation” defined?
 - Pregnancy, accident, etc.
- Level 7, trading partner specific

Testing Incoming Transactions

- Test data to test your own translator functionality
- Documented library of Static Tests being built by WEDI SNIP workgroup
 - Both Compliant and “typical errors”
 - Downloadable from the Internet
 - Each test file will be documented
- Dynamic user generated test cases
 - Test your own boundary conditions, loop limits, etc.
 - Customize at high or low level of detail
 - User provided data in dynamic response
- Transactions are complex
 - “How to” examples for developers

Other testing considerations

- Privacy issues
 - Testing with synthetic transactions
 - Using “live” data or de-identified transactions
- Quality of test data
 - Synthetic well defined tests
 - “Live” data must be representative of provider’s business.
- Multiple simultaneous versions of HIPAA guides
- Reporting of test results
 - Transaction: 997, 277, 824, other?
 - Readable result
 - Paper or electronic?
 - X12, NSF, or UB92 “reference” error messages?

HIPAA code sets

- Standards for code sets
 - Developed by private and public entities
 - CPT4 (changes yearly)
 - HCPCS Level II (many new national codes expected)
 - ICD-9-CM (small changes yearly, then ICD-10 hits the fan)
 - CDT3 (recently implemented in 2000)
 - NDC (not quite going away...)
 - X12 (new code sets for most users)
 - NCPDP (new codes for version 5.1)
 - Created codes sets where none were available
 - Adjustment reason codes, Payment remarks, etc.
- How are we going to test for code sets?

Telecommunications

- No HIPAA standards
- Hodgepodge of bulletin board systems today
- Things to look for:
 - Dial-up with Kermit, X/Y/Zmodem
 - TCP/IP with FTP for direct submitters
 - SSL connectivity over Internet for real time or fast batch transactions
 - Other Internet (EDIINT, PGP+FTP ?) with encryption

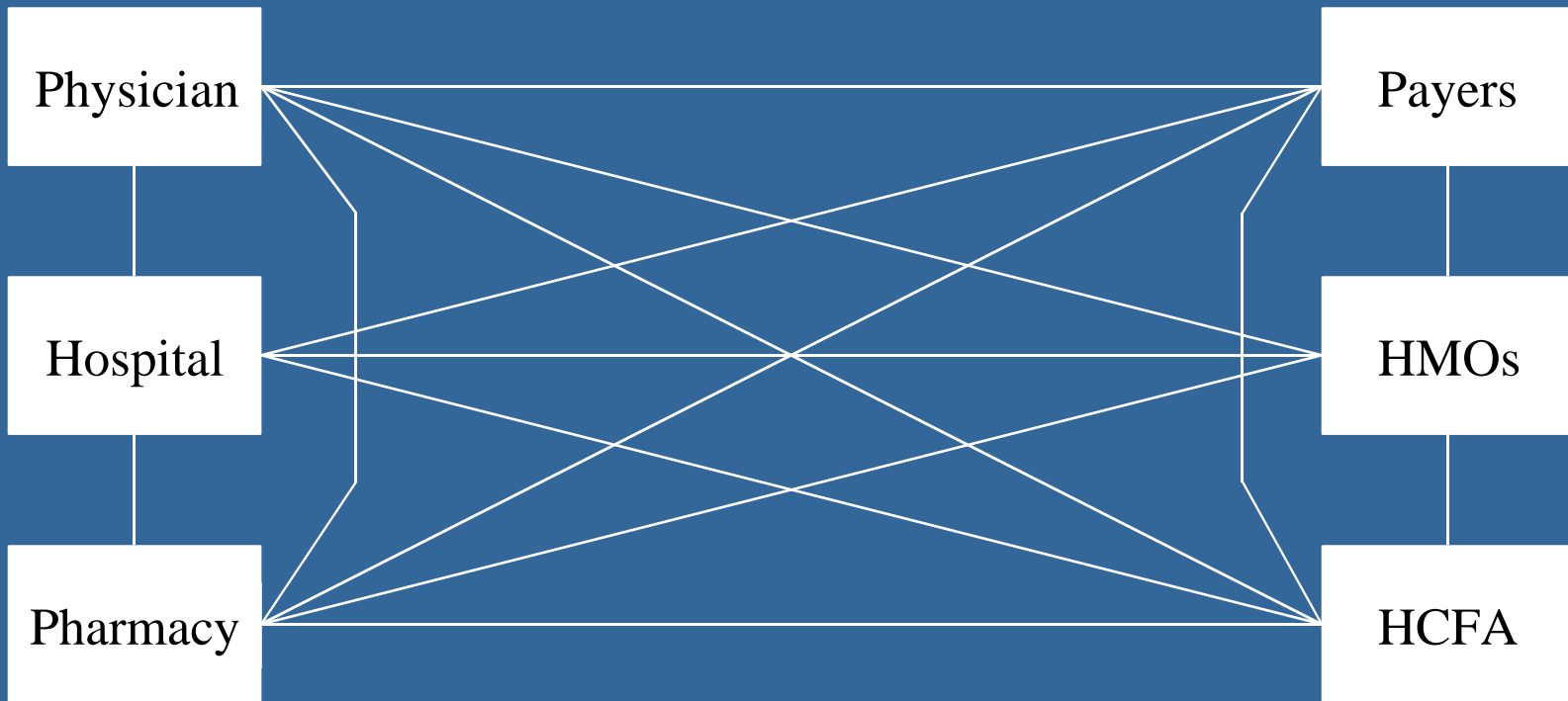
Outsourced Testing

- Customized for you
- High volume automated test facility
- Uniform testing nationwide
- Experienced customer support
- Paves the way for provider's certification
- Do you really need testing?
 - Accept certified providers without further testing

Testing Challenges

- How to test my trading partners within the compliance dates?
 - Without becoming their “EDI trainer”
 - Without constant disputes and finger pointing
 - Without disrupting my production
 - Without losing my shirt
- How are payers going to test all the small submitters?
- Is “certification” the solution?

Industry Business Relationships



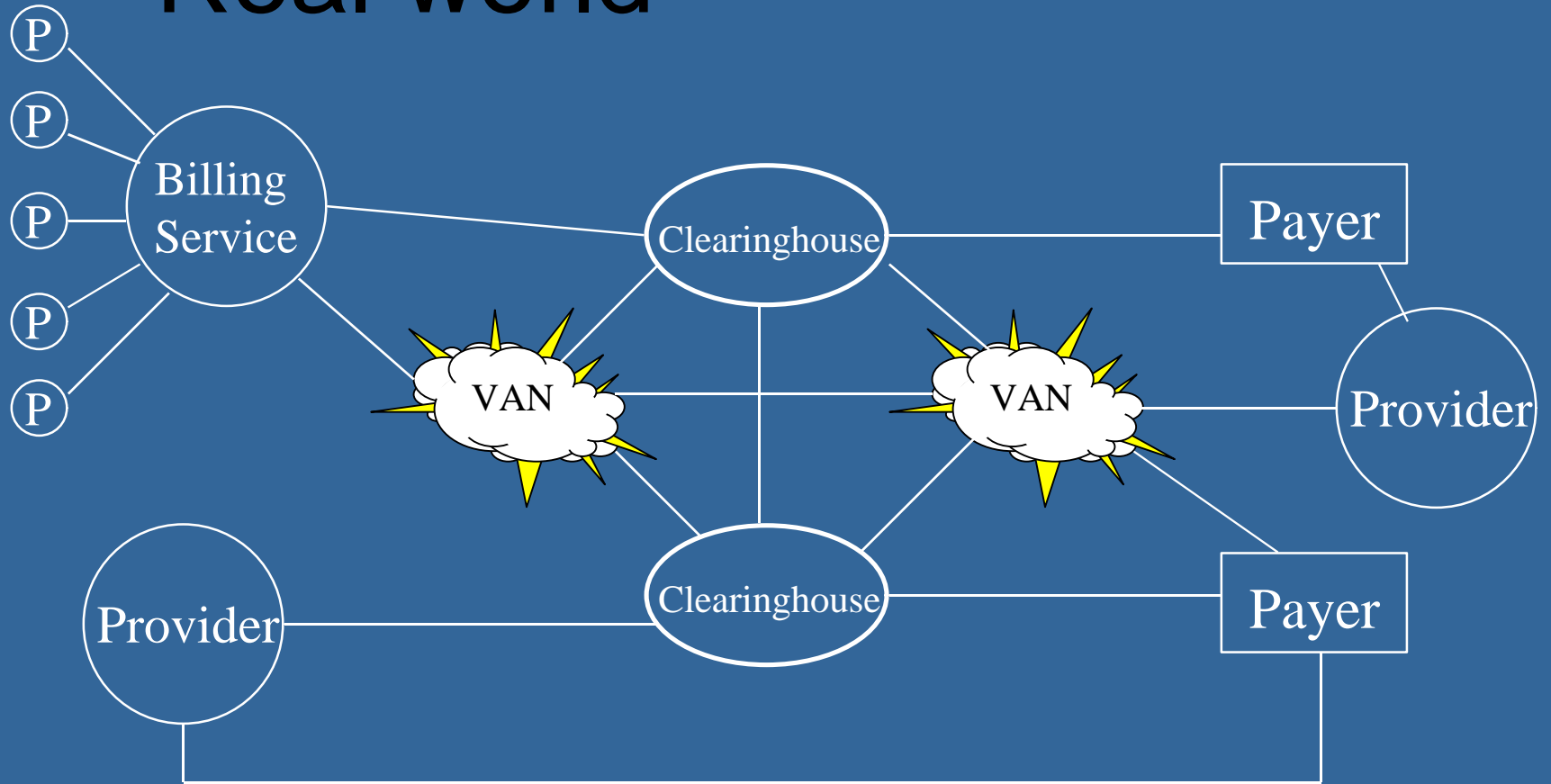
Business Relationships

- Example
 - 6 Players
 - 15 Connections
- Participants
 - 100,000 Medical Sites
 - 55,000 Pharmacies
 - 5,000 Hospitals
 - 1,700 Payers
 - 400 HMOs
 - 150 Medicaid, Carriers, Intermediaries
- Total Connections
 - 100,000 x 20 Physicians
 - 100,000 x 15 Pharmacies
 - 100,000 x 5 Hospitals
 - 100,000 x 400 Payers
 - 100,000 x 5 HMOs
 - 100,000 x 2 HCFA
 - 55,000 x 15 Pharmacies
 - 55,000 x 15 Hospitals
 - 55,000 x 100 Payers
 - 55,000 x 5 HMOs
 - ETC.
- Over 57 Million connections

Latest HIPAA estimates

- Providers: 695,824
 - Previous table showed 160,000
- Payers: 3,078
 - Previous table showed 2,250
- Self Administered Payers: 50,000
 - Previous table did not consider
- Other employer Health Plans 2,550,000
 - Previous table did not consider
- What does this mean for me?

Real world

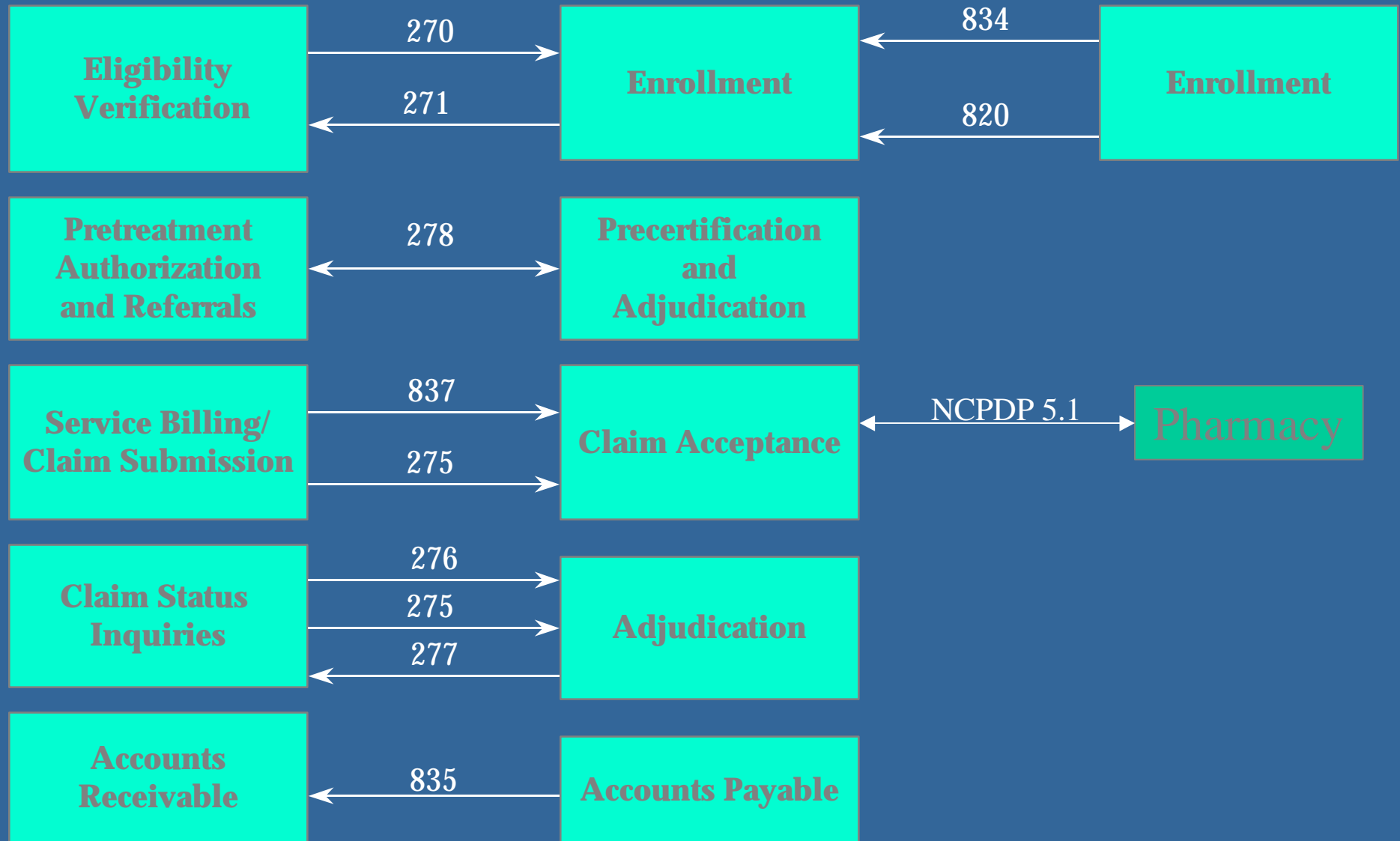


Simplified Connectivity Model

PROVIDERS

INSURANCE AND PAYERS

SPONSORS



Certification vs. Testing

- 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

Certification under HIPAA

- Voluntary “Compliance Testing”
- Self Certification
 - What is the value?
- Third party certification
 - Not required by HIPAA
 - Screening mechanism for Providers before starting testing
 - May be required by trading partner as part of the Trading Partner Agreement
- Who certifies the certifier?
 - Issues with quality and depth of testing

The chicken or the egg

- How do I test my transaction ?
 - I am almost ready to start testing.
 - My trading partners are NOT ready yet.
 - Payers say this.
 - Providers say it too.

“Almost ready” syndrome

- I am not “done” yet...

Almost ready...

- At least I think so... What if I go to test with my trading partners and it turns out that I still have a lot of work to do?
- Save face: I am going to work in isolation a little more, until I am ready.

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.

HIPAA compliant non-sense

- Non-sense data certifiable as in compliance with IGs.
- Multiple levels of testing:
 - IG spells out requirements for HIPAA compliance.
 - Minimum requirement.
 - Tested as per WEDI SNIP levels 1-6
 - Additional “Business” requirements
 - Filter out non-sense
 - Needed for interoperability

Certification Challenge #1

- 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

Certification Challenge #2

- Certification of the capability to receive incoming transactions
 - Self reporting not enough
 - Same specialty or line of business issues as in Challenge #1
 - Must “demonstrate” the capability

Examples of “Business” requirements

- “Balancing of dates”
 - Transaction, service, admission, etc.
- Use of qualifiers
 - HIPAA identifiers are not ready yet.
 - Identifier in both NM109 and REF03
- Transaction specific issues
 - In-patient claim without room and board revenue codes

Contact

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