

# The ASCA Compliance Plans, Testing, and Transactions Deployment

The Sixth National HIPAA Summit

March 27, 2003

Kepa Zubeldia, MD, Claredi

# Topics

- ASCA Compliance Plans Tables
- Testing options under HIPAA
- The ASCA extension and testing
- The WEDI SNIP testing model
- Myths
- Measuring progress

# Summary of ASCA data

Entity Type	Percent	Number
Clearinghouse – Health Plan	0.0%	258
None	0.2%	1,207
Clearinghouse – Health Plan – Provider	0.3%	1,525
Health Plan Provider	0.5%	2,631
Clearinghouse	1.0%	5,478
Health Plan	6.5%	35,928
Provider	91.4%	501,617
		548,644

# Provider Types

<b>Provider Type</b>	<b>Percent</b>	<b>Number</b>
Hospice	0.4%	1,459
Home Health Agency	1.6%	6,612
Hospital	1.9%	8,052
DME Supplier	2.5%	10,513
Nursing Home	2.8%	11,642
Pharmacy	3.4%	14,090
Dentist	8.5%	35,443
Other	34.6%	143,805
Physician/Group Practice	44.2%	183,692
		415,308

# Multiple Reasons for Delay

Number of Reasons	Respondents	
1	123,077	
2	109,381	
3 ← Median	101,355	
4	80,625	90%
5	51,063	
6	35,464	
7	19,542	
8	11,401	
9	6,491	
10	3,671	
11	5,686	
12	888	

# Reason for Delay

<b>Reason for Delay</b>	<b>Percent</b>
Implementation Time	67.5
Waiting on Vendor	47.1
Standards Information	46.0
Testing Time	40.6
Clarification	34.5
Waiting on Clearinghouse	33.2
Money	16.6
Hardware	15.7
Staff	12.3
Data Requirements	9.4
Other	8.1
Codeset Implementation	6.7

# Estimated Cost

<b>Estimated Cost Range</b>	<b>Percent of Respondents</b>
<\$10,000	35.9
\$10,000 - \$100,000	20.0
\$100,000 - \$500,000	5.1
\$500,000 - \$1M	1.7
Over \$1M	2.4
Don't Know	35.0

# Estimated days to complete

Phase	Num	Days						
		Max ★	95%	75%	50%	25%	5%	Min ★
<b>Awareness</b>	208,414	335	273	122	61	0	0	0
<b>Operational</b>	444,941	3,257	550	365	184	92	0	0
<b>Testing</b>	531,140	3,136	487	212	153	90	0	0
<b>All Three</b>	300,584	2,922	669	395	304	153	0	0



## The ASCA extension

- The ASCA says that the compliance plan filed must include a **timeframe for testing** beginning no later than 4/16/2003.
  - Testing was not required under HIPAA
- Not specified in ASCA
  - Internal testing
  - External testing (Testing with Trading Partners)

# The ASCA extension

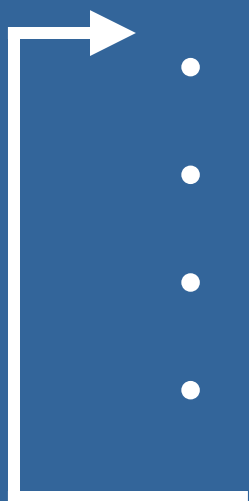
- Did YOU file for the ASCA extension?
  - What is YOUR plan for testing the transactions?
- If a vendor is testing...
  - Vendors are not Covered Entities
  - Does the provider / client need to test?
  - Does the clearinghouse or vendor testing cover all of its clients?

# HIPAA - ASCA Testing Options

- No testing of transactions.
  - “Testing is not required by HIPAA.” mantra.
- Testing by “sympathy”
  - Other people with the same vendor have tested already. Why should I test?
- Testing my first couple of connections
  - I expect them to be all the same.
- Testing every single connection.
  - Time consuming, difficult, expensive.
- Compliance testing and certification
  - Followed by trading partner testing. SNIP model.

# Testing today

- Find trading partner that agrees to test with you
  - Typically one that will eventually benefit from your transactions.
  - They must be ready. Or “readier” than you are.
- Send or get test files
- Get test report from/to trading partner
- Correct errors found with trading partner
- Repeat the cycle until no more errors



# Graphical view

- EDI Submitter contract
- Telecom / connectivity
- X12 syntax
- HIPAA syntax
- Situational requirements
- Code sets
- Balancing
- Line of business testing
- Trading partner specifics

1-2 days

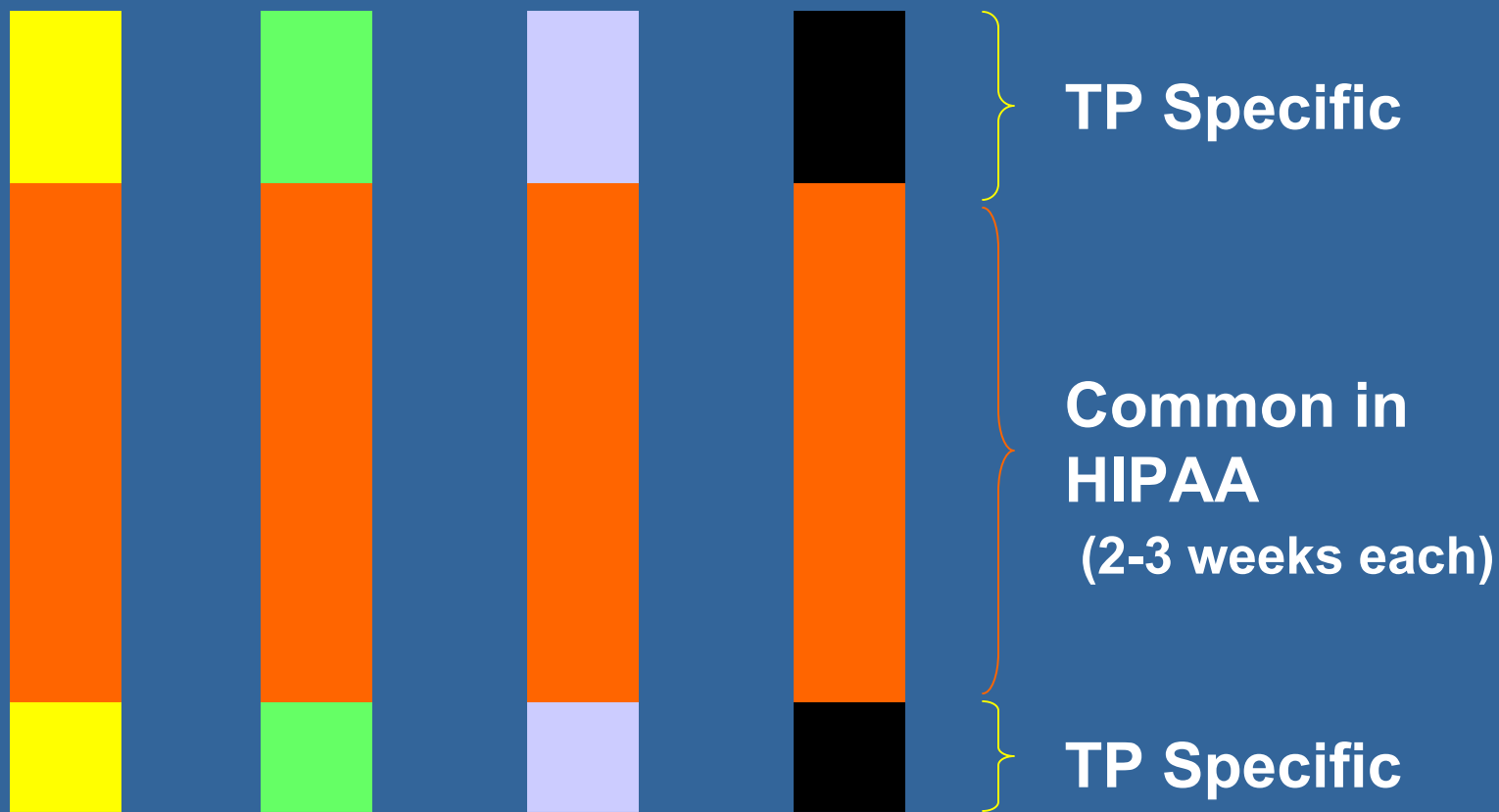
2-3 weeks

3-4 days

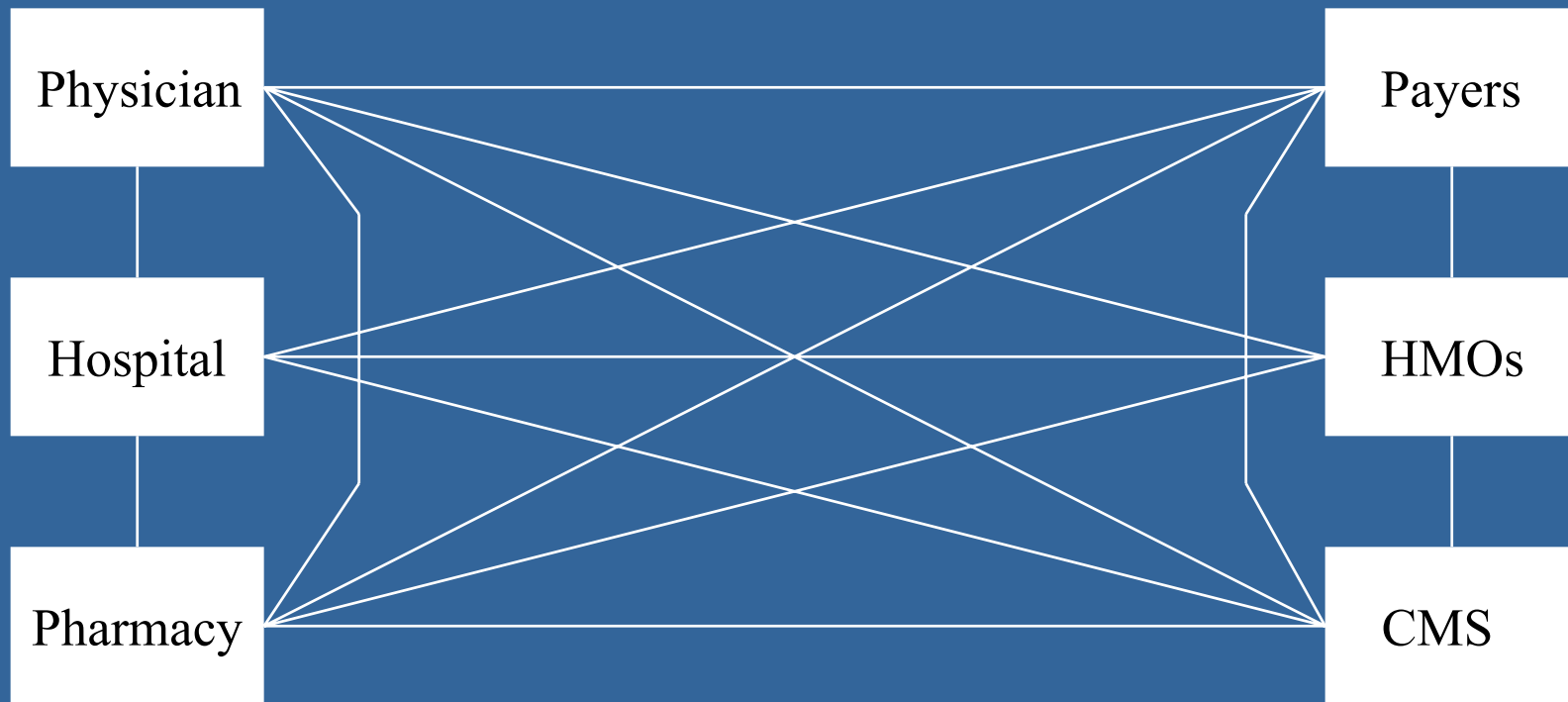
3-4 weeks



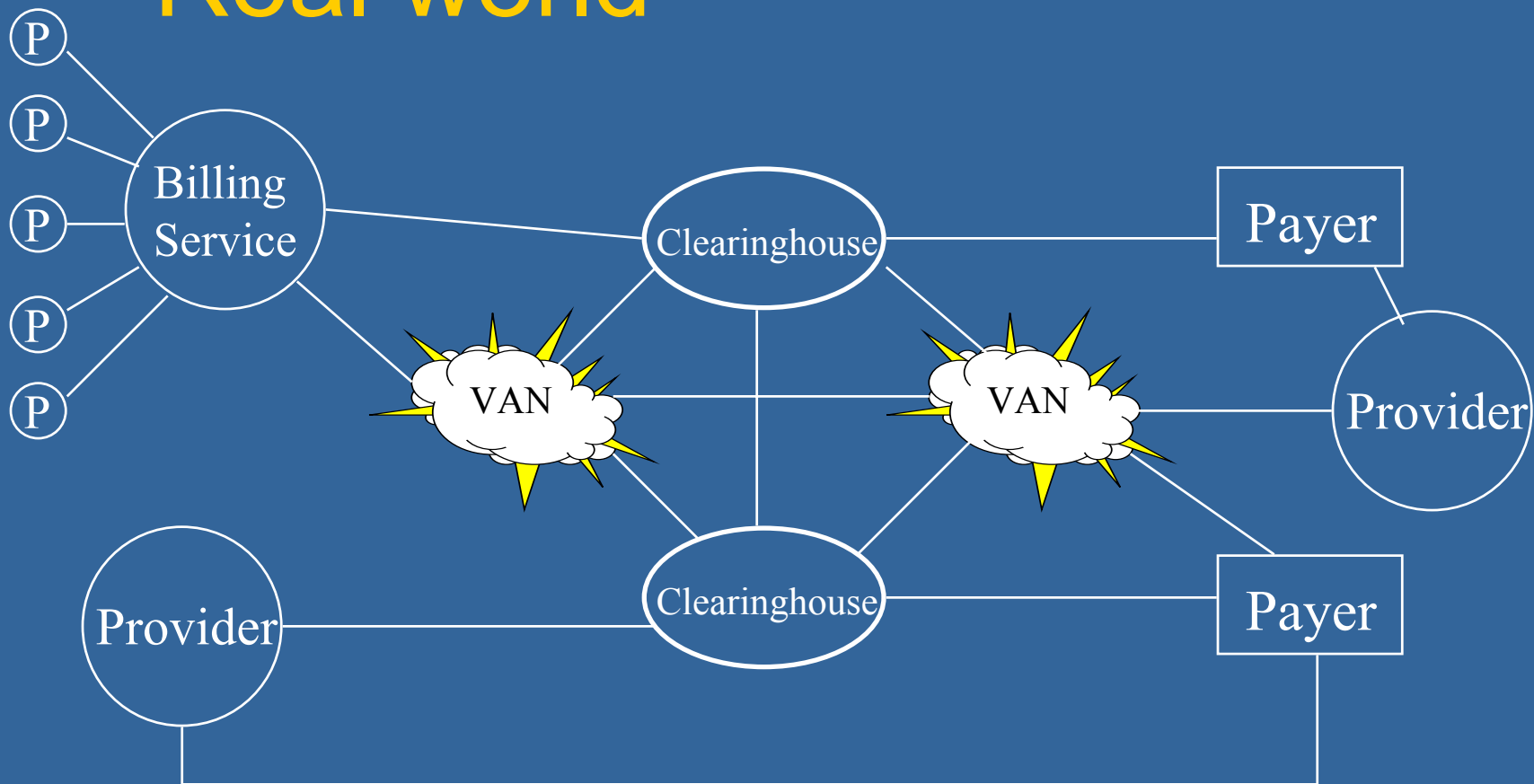
# Testing with multiple Trading Partners



# Industry Business Relationships



# Real world



Simplified Connectivity Model



## Gartner Research

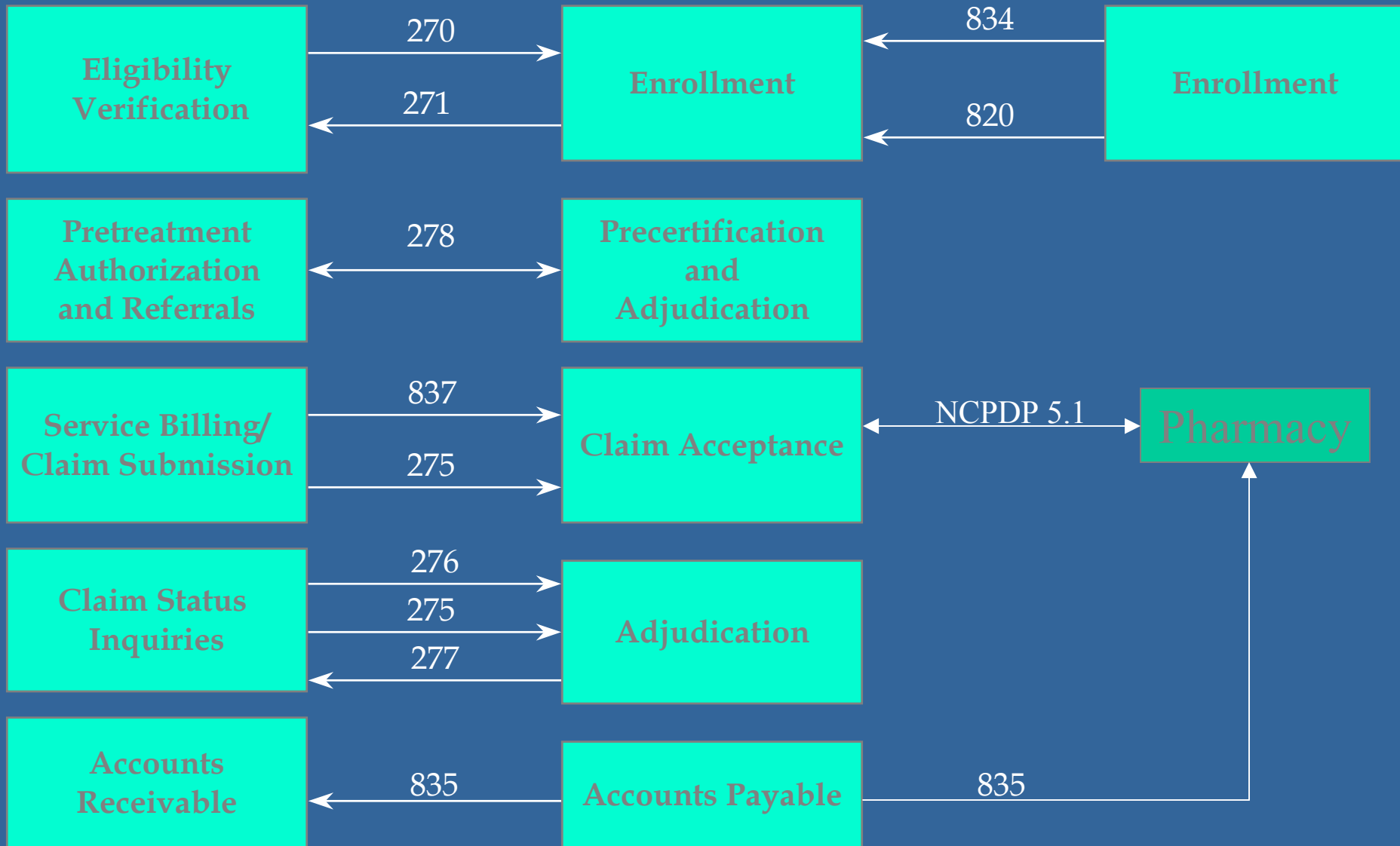
“For HIPAA to work, more than 13 million pairs of a payer and a provider must implement an average of 2.2 transactions each.”

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

## PROVIDERS

## INSURANCE AND PAYERS

## SPONSORS



# The SNIP testing approach

- Compliance testing
  - Testing your own system first. Independent from trading partners. Start testing now.
  - Structured testing, complete testing. 7 Types.
  - Test against HIPAA Implementation Guides.
- Business to Business testing
  - Assume both trading partners are already compliant. Don't repeat the compliance testing part.
  - Test only peculiar TP issues.
  - Test against Companion Documents

# SNIP Compliance testing

- “Types” of testing defined by WEDI/SNIP:
  1. EDI syntax integrity
  2. HIPAA syntactical requirements
    - Loop limits, valid segments, elements, codes, qualifiers
  3. Balancing of amounts
    - Claim, remittance, COB, etc.
  4. Situational requirements
    - Inter-segment dependencies
  5. External Code sets
    - X12, ICD-9, CPT4, HCPCS, Reason Codes, others
  6. Product Type, Specialty, or Line of Business
    - Oxygen, spinal manipulation, ambulance, anesthesia, DME, etc.
  7. Trading Partner Specific
    - Medicare, Medicaid, Indian Health, in the HIPAA IGs.

# The ideal HIPAA scenario

Trading Partner  
Business to  
Business testing

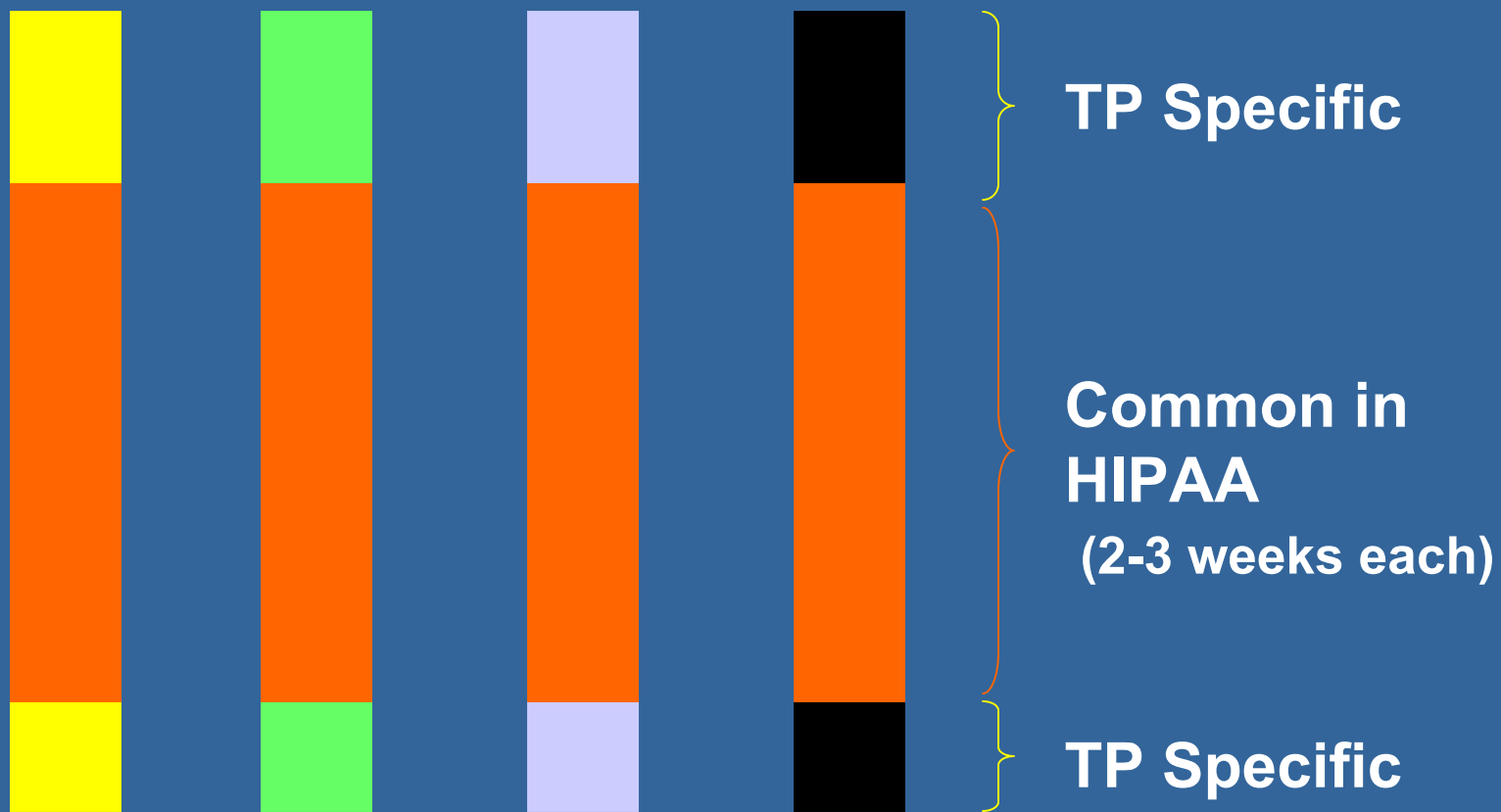
Compliance  
testing



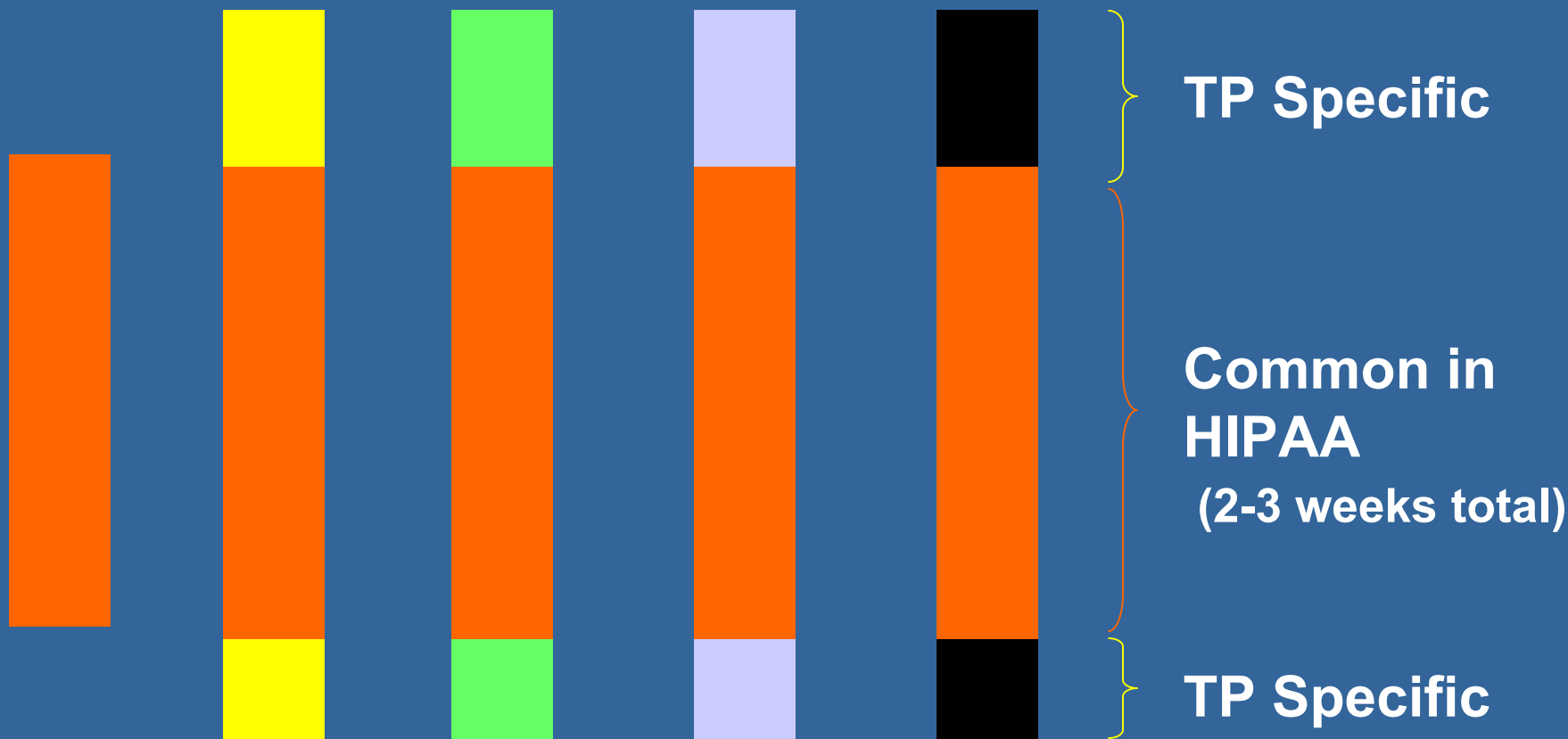
# The cell phone model



# Testing with multiple Trading Partners

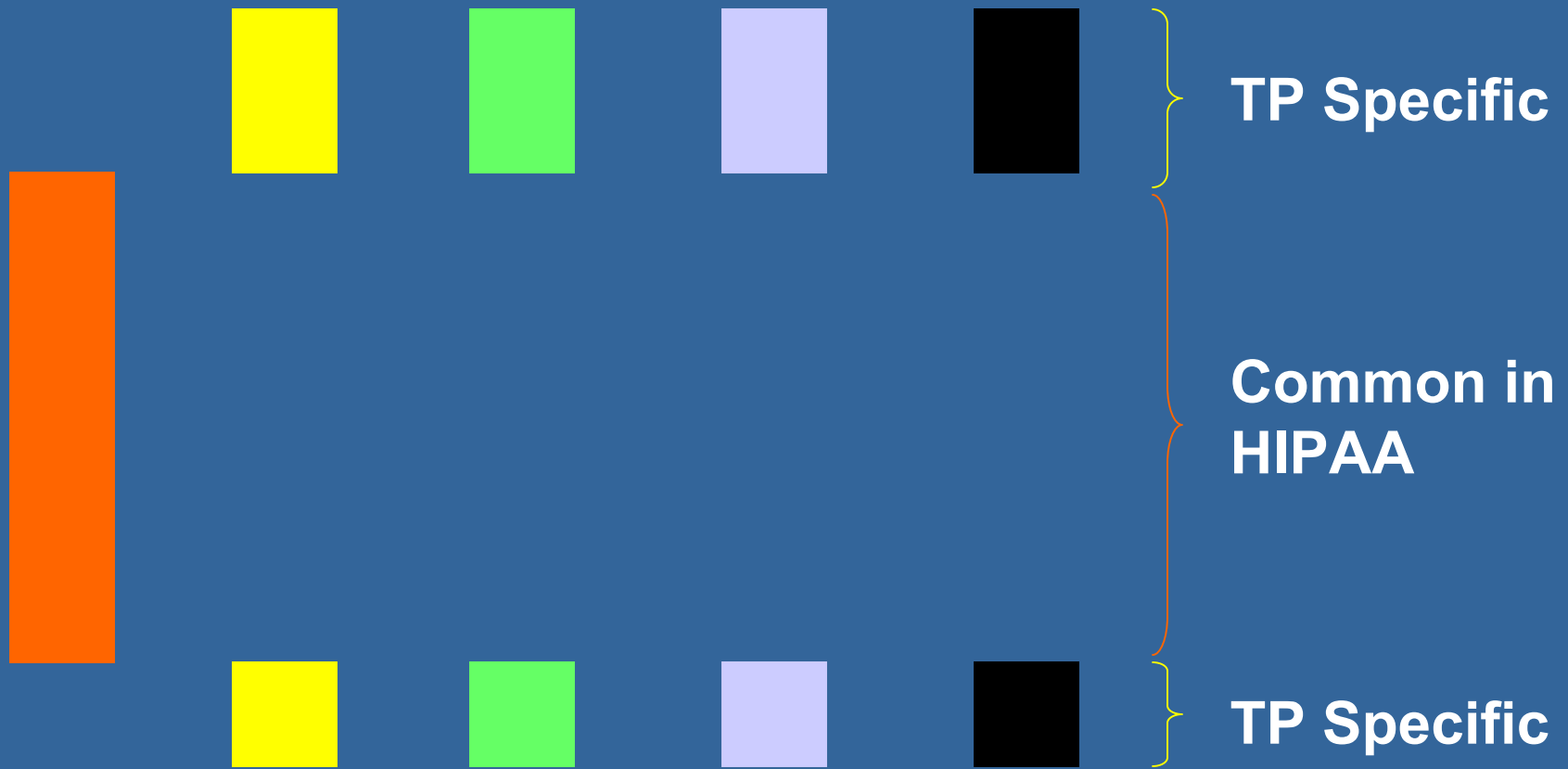


# Certification prior to Testing with multiple Trading Partners





# Certification prior to Testing with multiple Trading Partners



## Certification is

- Third party verification of the demonstrated capabilities to send or receive a subset of the HIPAA transactions, for specific business purposes, in compliance with the HIPAA Implementation Guides

## Certification is not

- Testing. It does not replace testing. Complements testing.
- A guarantee that all transactions will be forever perfect.
- The assurance that the receiving trading partner will accept the transactions.

# 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. It’s not Y2K
  - There are profound business implications in HIPAA.
  - Liability for Clearinghouses and vendors due to the unrealistic expectations of providers

Result Summary	Identifier	HIPAA Errors							Business Errors							Warnings							
		1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	
	000000401	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	000400004	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	X	✓	✓	✓	✓
	154789686	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	294953698	✓	✓	✓	X	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	X	✓	✓	✓	✓
	478159686	✓	✓	✓	X	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	X	✓	✓	✓	✓
	492953986	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	495329986	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	X	✓	✓	✓	✓
	534929986	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Analysis Results to display	WEDI/SNIP Levels	HIPAA Errors	Business Errors	Business Warnings
1 - X12 Integrity		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2 - Requirement		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3 - Balancing		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4 - Situational		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5 - Code Sets		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6 - Product / Type		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Trading Partner		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Action**

Display report:

- Errors and data
- Errors only
- Data only

[Click here for the analysis report](#)

**Certification**

Please Review the [Claredi Certification Policy](#)

[Submit this file for certification](#)

**Support**

You may allow Claredi Customer Support Reps to view the information in this file. Click here to review the [Claredi Privacy Policy](#).

Allow Claredi Customer Support to view this file

# The “Blanket Approval” myth

(Is certifying 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

<b>Transaction Identifier</b>	837																					
<b>Result Summary</b>	<b>Identifier</b>	<b>HIPAA Errors</b>							<b>Business Errors</b>							<b>Warnings</b>						
		1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	PCLAM0001	✓	X	✓	X	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	X	✓	✓	✓
	PCLAM0002	✓	X	✓	X	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	X	✓	✓	✓
	154789686	✓	X	✓	X	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	X	✓	✓	✓
	294953698	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	478159686	✓	X	✓	X	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	X	✓	✓	✓
	492953986	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
495329986	✓	X	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	
534929986	✓	X	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	
<b>Analysis Results to display</b>	<b>WEDI/SNIP Levels</b>	<b>HIPAA Errors</b>							<b>Business Errors</b>							<b>Business Warnings</b>						
	1 - X12 Integrity	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
	2 - Requirement	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
	3 - Balancing	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
	4 - Situational	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
	5 - Code Sets	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
	6 - Product / Type	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
Trading Partner	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>							
<b>Action</b>	Display report:																					
	<input checked="" type="radio"/> Errors and data <input type="radio"/> Errors only <input type="radio"/> Data only <input type="button" value="Click here for the analysis report"/>																					
<b>Certification</b>	Please Review the <a href="#">Claredi Certification Policy</a>																					
	Status: Certification complete																					
<b>Support</b>	You may allow Claredi Customer Support Reps to view the information in this file. Click here to review the <a href="#">Claredi Privacy Policy</a> .																					

# Kinds of compliance

- Compliant by coincidence
  - Providers only
    - Office visits, simple claims
  - Perhaps as high as 60%?
- Compliant by design
  - Need remediation effort
    - Software upgrade, new formats, etc.
  - Maybe about 40%?
- How can you tell the difference?
- When can you tell the difference?

# Progress not perfection

- Perfection may be impossible
  - Industry standard is 95% today
- Incremental progress
  - Implement some transactions, not others
  - Implement some Bill Types, not others
- Not all claims will be compliant
  - Gap filling issues
  - Implementation guide errors
  - Legacy data, data errors




# Measuring Progress

- Measure your own transactions
  - Inbound
  - Outbound
- Measure against what?
  - Reference testing and certification svc.
  - Trading partners' rejections
- Start at 80-85% acceptance rate
  - Increment by 5% every 6 months

## How are you doing?

- EDI implementation of the claim takes about 6 months
  - Compare with 2-3 weeks for NSF or UB92
- Waiting for your trading partners?
  - Are they waiting for you?
- What is your plan to start testing?
  - ASCA deadline April 15, 2003
- Avoid last minute rush!



**One locust  
is called  
a grasshopper.  
Put a few  
thousand in  
one place and  
we call it...**

claredi



**A Plague.**