HIPAA 5010/NCPDP D.0 and 1.2

Frequently Asked Questions (FAQs)

1. **Q: What is Version 5010 of the HIPAA X12 transaction mandate?**

   A: HIPAA X12 version 5010, commonly referred to as HIPAA 5010, is a new set of standards that regulates the electronic transmission of specific health care transactions, including the following transactions:

   - Eligibility inquiry and response
   - Claim status inquiry and response
   - Claim submission
   - Remittance advice

   Covered entities, such as health plans, health care clearinghouses and health care providers are required to comply with HIPAA standards. The current transaction standard is the X12 version 4010A1. Use of the new version 5010 of the X12 standards on or after the compliance date is required by federal law. **The compliance date for use of the updated standards is January 1, 2012.**

   Version 5010 accommodates ICD-10-CM values, whereas version 4010A1 does not. The 5010 implementation guides or Technical Report – Type 3 (TR3) documents specify how the transactions should be formatted, the data content that is required and allowable, and the structure of the transaction.

   Version 5010 includes the following types of changes:

   - Consistency across transactions
   - Accommodation of ICD-10-CM values
   - New-use cases introduced by the health care industry
   - Clarification of usage to eliminate ambiguity
   - Removal of data content that is no longer used

2. **Q: What are NCPDP D.0 and 1.2 batch versions?**

   A: HIPAA Version D.0 is the new National Council for Prescription Drug Programs (NCPDP) standard for Interactive Pharmacy Claims, eligibility inquiries and prior authorization. Version

1.2 is the new NCPDP standard for Batch Pharmacy Claims. Version D.0 will replace 5.1, and 1.2 will replace 1.1.

3. **Q: Who will need to upgrade to the HIPAA 5010 and NCPDP D.0 and 1.2 standards?**

A: The following covered entities that conduct any of the affected electronic transactions are required to comply with HIPAA 5010 and the NCPDP D.0 and 1.2 standards, and may use a clearinghouse to assist with compliance:
Healthcare Providers including:

- o Physicians
  - ▪ Hospitals
  - ▪ Ancillary and behavioral health care providers, including nurse practitioners and nurse practitioner primary care providers
  - ▪ Pharmacies
  - ▪ Dentists
- o Payers/health plans
- o Health care clearinghouses

Note: Although software vendors <u>are not</u> included in the list of covered entities above, they will need to upgrade their products to support the new transaction versions.

4. **Q: What transactions are specified in the HIPAA mandate?**

A: The following provider-related transactions processed are specified in the standards:

Transaction Type	Title	Current Version	New Version
270/271	Eligibility Benefit Inquiry/Response	X12N 4010 X092 A1	X12N 5010 X279 E1, A1 *
276/277	Claim Status Request/Response	X12N 4010 X093 A1	X12N 5010 X212 E1, E2
835	Payment/Advice	X12N 4010 X091 A1	X12N 5010 X221 E1, A1 *
837 I	Claims: Institutional	X12N 4010 X096 A1	X12N 5010 X223 A1, E1, A2 *
837 P	Claims: Professional	X12N 4010 X098 A1	X12N 5010 X222 E1, A1 *
NCPDP D.0	Retail Pharmacy: Interactive	NCPDP 5.1	NCPDP D.0, republished August 2010 *
NCPDP 1.2	Retail Pharmacy: Batch	NCPDP 1.1	NCPDP 1.2

* X12 errata published July 30, 2010; X12 errata and NCPDP corrections mandated October 13, 2010 via notice in the federal register.

5. **Q: Why is it necessary to upgrade to the new HIPAA transaction versions?**

   A: The upgrade to versions 5010, NCPDP D.0 and 1.2 is important because it is mandated by the federal government. The new versions will contain improvements and will also be able to accommodate the forthcoming and mandatory ICD-10-CM and ICD-10-PCS code sets, **which are scheduled to be implemented for outpatient claims with dates of service, and inpatient claims with dates of discharge, on or after October 1, 2013**.

6. **Q: How can providers and other covered entities prepare for the transition?**

   A: Providers and organizations can prepare by reviewing the Technical Reports – Type 3 (TR3s) and NCPDP standards with their business partners, such as clearinghouses and software vendors. The TR3 documents are available for purchase from the Washington Publishing Company website (www.wpc-edi.com). The NCPDP standards can be purchased at www.NCPDP.org.

7. **Q: I bill using paper claims, does this affect me?**

   A: Those providers who bill using paper claims will be impacted once ICD-10-CM and ICD-10-PCS codes are mandated, **effective for outpatient claims with dates of service, and inpatient claims with dates of discharge, on or after October 1, 2013.**

8. **Q: What if I'm not ready by the compliance deadline?**

   A: According to the Centers for Medicare & Medicaid Services (CMS) guidelines, any 4010/4010A1, NCPDP 5.1 or 1.1 batch transaction submitted on or after January 1, 2012 will be rejected due to HIPAA non-compliance and will not be processed. This will ultimately result in non-payment of claims. If CMS revises its compliance policy, notifications will be announced to providers.

9. **Q: What is the scheduled implementation date for ICD-10-CM?**

   A: According to CMS compliance dates, implementation for ICD-10-CM and ICD-10-PCS **is scheduled for outpatient claims with dates of service, and inpatient claims with dates of discharge, on or after October 1, 2013.**