



National Committee on Vital and Health Statistics (NCVHS)
Subcommittee on Standards
Hearing on Operating Rules

Panel 2 – Health Plan Enrollment/Disenrollment and Health Plan Premium Payment

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit ANSI-Accredited Standards Development Organization (SDO) consisting of more than 1,500 members who represent drug manufacturers, chain and independent pharmacies, drug wholesalers, insurers, mail order prescription drug companies, pharmaceutical claims processors, pharmacy benefit managers, physician services organizations, prescription drug providers, software vendors, telecommunication vendors, service organizations, government agencies, professional societies, and other parties interested in electronic standardization within the pharmacy services sector of the healthcare industry. NCPDP provides a forum wherein our diverse membership can develop solutions, including ANSI-accredited standards, and guidance for promoting information exchanges related to medications, supplies, and services within the healthcare system.

NCPDP processor/pharmacy benefit manager/payer members use the *ASC X12 Standards for Electronic Data Interchange Technical Report 3 (TR3) – Benefit Enrollment and Maintenance (834)*, June 2010, ASC X12N/005010X220A1 (hereinafter referred to as X12N 834) and there is little to no use of the *ASC X12 Standards for Electronic Data Interchange Technical Report 3 (TR3) Payroll Deducted and Other Group Premium Payment for Insurance Products (820)*, June 2010, ASC X12N/005010X218 (hereinafter referred to as X12N 820).

The X12N 834 is received by the processor/pharmacy benefit manager/payer from employers and other purchasers of pharmacy benefits.

Conference calls were held with NCPDP members to obtain input to the questions posed regarding the Operating Rules for the X12N 834 and the X12N 820.

NCPDP supports the decision to not include data content rules into the latest set of operating rules. Transaction data content and its' use is the responsibility of the SDO. Since data content rules are not contained in this set of operating rules, there is no impact to the HIPAA adopted standards.

NCPDP supports the standardization of Companion Guides through the use of a template. Most of the trading partners engaged in member enrollment are not HIPAA covered entities and therefore do not have to use the X12N 834 transaction. If they do use the transaction the cost to develop and distribute a X12N 834 Companion Guide based on the template may outweigh the benefit.

With little to no usage of the X12N 820 in the pharmacy industry, developing a X12N 820 Companion Guide using a template will pose significant cost with little benefit.

NCPDP supports the voluntary use of the ASC X12 999. NCPDP recommends the ASC X12 Acknowledgment Reference Model be used to determine when an ASC X12 999 transaction is generated. NCPDP does not support the mandated use of a transaction that has not been adopted through the HIPAA process.

The 470 Connectivity Rule which supports the next set of transactions requires the X.509 Digital Certificate to be supported by payers. The Authentication rules need to be consistent across all Phases. Payers/processors will incur additional costs to implement while their trading partners may not use this method.

Security requirements for user authentication are included; however, privacy and confidentiality are not covered. NCPDP does not believe the operating rules address or facilitate emerging or evolving clinical, technical and/or business advances for the pharmacy industry.

It is the opinion of NCPDP that the HIPAA adopted transactions do not need operating rules. In addition, we believe the operating rules do not provide any value for the HIPAA adopted transactions.