



Adoption of New HIPAA Standards

NCPDP Standards

Presented by

Lynne Gilbertson

Vice President, Standards Development

NCPDP

Margaret Weiker

Director BES Global Product, Standards and Sales

EDS

DSMO Change Requests

- ◆ Industry requests submitted to the Designated Maintenance Standards Organizations (DSMO) – January batch
 - 1055 – Telecommunication and Batch Standard Implementation Guides
 - Telecom new version requested
 - Version 5.1 named in HIPAA 2000, updated to Version D.0
 - Batch new version requested (1.1 to 1.2)
 - Version 1.1 named in HIPAA 2000, updated to Version 1.2
 - Main set of transactions between pharmacies, payers, Pharmacy Benefit Managers (PBMs), clearinghouses/switches, Facilitator

DSMO Change Requests

- ◆ Industry requests submitted to the Designated Maintenance Standards Organizations (DSMO) – January batch
 - 1057 – Medicaid Subrogation Implementation Guide
 - Enables Medicaid agencies to collect payment from a third party after they have already paid the claim.
 - Request for Version 3.0 to be named in HIPAA – a new implementation guide



DSMO Change Requests

- ◆ DSMO approval recommendation presented to NCVHS May 1st, 2007



Telecommunication Standard Implementation Guide Version D.Ø

The Telecommunication Standard Implementation Guide supports the following processes (and others)

1. Eligibility Verification
2. Claim
3. Service
4. Information Reporting
5. Prior Authorization
6. Predetermination of Benefits (new transaction)
 - To determine if the patient is eligible for prescription coverage,
 - To determine if the submitted product is covered,
 - To identify the patient financial responsibility at that point in time, and
 - To potentially identify clinically relevant information.

What Changed in the Telecommunication Standard?

◆ **Field and Segment Defined Situations**

- Fields and segments displayed as optional within the Implementation Guide were reviewed and determined, according to the transaction type and its associated response, to be “Not Used”, “Required if”, “Required”, or “Optional”. Fields and segments cannot be used in a manner other than as stated in the situations.
- This action was taken to address the situational versus optional data requirements cited in the HIPAA Privacy Regulations.

◆ **Request and Response Matrices**

- The industry expanded the segment usage matrices to help clarify which segments and fields are sent for each transaction type.
- The segments and the fields within each transaction type have been specifically defined for usage.

What Changed in the Telecommunication Standard?

◆ Medicare Part D enhancements –

- A new entity of Facilitator and the process of Informational Transactions enhanced (industry currently using version C.1).
- Eligibility Transaction enhanced for the Facilitator to provide patient eligibility information for Medicare Part D and other insurance coverage (stuffed into text now),
- Long Term Care Pharmacy claim processing enhancements to appropriately identify and process Medicare Part D claims (kludges to existing fields).

◆ Medicare Part B enhancements –

- Three segments were added to allow for the processing of Medicare certificates of medical necessity.
- New data elements were added to allow for the items needed to process Medicare Part B transactions and assist in the crossover of claims from Medicare to Medicaid.



What Changed in the Telecommunication Standard?

- ◆ The only method for billing of compounds is to report each ingredient by the use of the Compound Segment. The two alternatives supported in previous versions for compounded claim processing were removed.
 - Allows for COB and collection of rebates
- ◆ Clarification for pricing guidelines. New fields were added and existing fields redefined to further clarify/correct the financial balancing of transactions.
- ◆ Coordination of Benefits (COB) -
 - Clarification was made for Coordination of Benefits processing. COB is more complicated with more complex rules than in the past. Specificity was given to the COB process by including new data elements such as patient responsibility and benefit stage fields as well as refining the use of the Other Coverage Code field.



What Changed in the Telecommunication Standard?

- ◆ **Prior Authorization**
 - Already existed, but additional guidance was given with the addition of a new section to the implementation guide.
- ◆ **Prescription/Service Reference Number (402-D2) was increased to 12 digits**
 - A key field in processes throughout the pharmacy benefit processing.
 - Enhancement will reduce “false duplicate” claims
- ◆ **Payer to Payer processing guidance added**
 - Addresses the business needs of crossover and subrogation transactions and Information Reporting.
- ◆ **Service Billings now have their own Transaction Code (S1, S2, S3).**



Batch Standard Implementation Guide Version 1.2

- ◆ New version requested (from 1.1 to 1.2)
 - Editorial changes made
 - Clarification was made that the Sender ID and Receiver ID values are reversed when sending the response batch file.
 - The Transaction Header and Transaction Trailer records were renamed to Transmission Header and Transmission Trailer to correctly reflect that they are at the transmission level.
 - Example errors were corrected.
- ◆ A batch “wrapper” for the Telecommunication Standard Implementation Guide
- ◆ Parsing routines are the same for the Telecom, Batch, and Subrogation implementations (one syntax for ease of implementation of similar business processes)

Medicaid Subrogation Standard Implementation Guide Version 3.0

- ◆ Industry requested a standard to support this business need
 - Medicaid Subrogation is a process whereby a Medicaid agency has reimbursed the pharmacy provider for covered claims and now is pursuing reimbursement from other payers for these claims. Some states may choose to “Pay” all claims in full, through a federal waiver, at the point of receipt and “Chase” reimbursements from responsible third parties after the fact.
- ◆ Synchronization with the NCPDP *Telecommunication Standard Version 5.1* (HIPAA-named) – fields needed for Subrogation were “kludged” into existing fields so that transactions could flow



Medicaid Subrogation Standard Implementation Guide Version 3.0

- ◆ When the NCPDP Medicaid Subrogation Implementation Guide is not used, a proprietary interpretation of the Batch Standard or proprietary formats are used.
 - The Medicaid Subrogation transactions use the Telecommunication Standard Implementation Guide transactions wrapped in the Batch Standard Implementation Guide (one syntax for ease of implementation of similar business processes)



Changes in Versions of Medicaid Subrogation Standard Implementation Guide

- ◆ Support of the *External Code List* document for data values
- ◆ The document was moved to a new standard template structure
- ◆ Synchronization with the NCPDP *Telecommunication Standard Implementation Guide Version D.Ø*. “kludged” fields were discontinued and actual fields added:
 - Medicaid Paid Amount
 - Medicaid ID Number
 - Medicaid Subrogation Internal Control Number/Transaction Control Number (ICN/TCN)
 - Medicaid Agency Number

Closing Thoughts

- ◆ Overview web casts were held in January and February 2007 for the new Telecommunication Standard Version D.0
- ◆ Members are awaiting a timeframe to implement – need to plan budgets



Thank you

Lynne Gilbertson

NCPDP

lgilbertson@ncpdp.org