Steps Needed Towards Successful Migration to the Next Version of HIPAA Standards

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Supervalu:

- Approximately 950 Pharmacies
- Multiple Food/ Drug Banners
- Approximately 50,000,000 Prescriptions Per Year
- Manage / Develop Own Pharmacy Software
- Manage / Develop Own Accounting Software

What customers want in a pharmacy

	Importance of Services
■ Fill Prescriptions Quickly	92%
■ Written or Printed Materials	90%
■ Pharmacist Available for Questions	85%
■ Advice on OTC Drugs	64%

Source: Drug Topics

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Supervalu (Albertsons) Project to Implement NCPDP 5.1 HIPAA Standards

- Development of project scope and ROI
- Pharmacy and related applications cost – Approx ~ $500,000+
- Involved multiple layers within the infrastructure
- Involved internal testing
- Involved testing with over 100+ entities
- Training at store level – Approx ~ 10,000 associates
- Project Time Frame - Approx ~ 3.5 Years

Lesson Learned From Implementation of NCPDP Version 5.1

Needed certification process for each
- *Processor*
- *Payer*
- *Switch*

Certification Testing
- *Flexible field content*
- *Claims need to mimic real case scenarios*
- *Need for lead time with time to correct issues*
- *Needed flexible schedule to test*

Assignment of Standards Liaison
- *Monitor progress and develop coordinated industry plan*
- *Identify Technical Issues*
- *Coordinate Testing dates/times*
- *Development of key contacts within trading partner*

Lesson Learned From Implementation of NCPDP Version 5.1 (cont)

Payer Sheets (Payer Requirements)
- *Need to be distributed prior to testing*
- *Fields that are "Required" need to be identified*
- *COB Process needs to be outlined*

Entities need to follow final rule in regards to changing definition, data condition or use of data element according to the HIPAA TCS Final Rule: § 162.915 Trading partner agreements.
- *Multiple issues especially with COB processing rules*

Lesson Learned From Implementation of NCPDP Version 5.1 (cont)

Pharmacy Providers code by the standard
- *Deviation required additional work effort and time, with increase costs*
- *Deviation required additional training at store level*
- *Deviation can cause prescriptions not processed and possible disruption in patient care!*

Some examples where plans didn't follow standard:
- *Medicaid "X" – Field 433-DX Patient copay requested in the Amount Received from Patient (not sent on other COB transactions)*
- *Medicaid "Y" - Field 406-D6 (Compound Code) Required a quantity of "1" for all compounds that are submitted in the 5.1 format (standard is "2")*
- *Plan "Z" - Separate prescription for each ingredient if a compound (standard was to send all ingredients on one claim)*

Lesson Learned From Implementation of NCPDP Version 5.1 (cont)

Implementation Dates
- *Payer Sheets not sent on time – needed time to setup plan parameters*
- *Implementation prior to mandatory date – Recent issue with NPI rollout prior to April 23rd, 2007*
- *No enforcement or penalties on entities that did not meet compliance dates*

NCPDP Version D.0 Benefits

Medicare Part D Enhancements
- *Enhanced Eligibility*
- *COB (Coordination of Benefits)*
  - *Clarification of the COB Process*
  - *New data elements*
  - *Refining OCC (Other Coverage Codes)*

Medicare Part B Enhancements
- *Ability to process CMN (Certificate of Medical Necessity)*
- *New data elements to help crossover from Medicare to Medicaid*
- *Pharmacy still needs Part B to process Real-Time / Online*

NCPDP Version D.0 Benefits

Clarified Field and Segment Defined Situations
- *Previous ambiguity caused deviations from standard*
- *Implementation Guide fields and segments: "Not Used", "Required If", "Required" or Optional*

Expanded NCPDP Service Billing
- *Additional fields to supplement Service Billing*
- *Pharmacy in need of process to incorporate Service Billing into today's workflow*
- *Current immunization situation recommends possible submission of medication and service on one claim – enhance / maximize quality of care.*

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X12 Standards used at Supervalu

X12 835

- *Multiple interpretations of standard*
- *Coding*
- *Reversals – no information at claim level*
- *Required NACDS / Industry monitoring*

X12 837

- *Supervalu uses clearinghouse to process- NCPDP 5.1 Mapped*
- *Because of volume and cost – have no current plans of implementing internal solution*

Conclusion

Internal steps needed to move toward new standard (s)

- **Internal Project Development – ROI**
- **Timeframe needed before project started**
- **Significant budget drain**
- **Significant resource drain**
- **Multiple departments involved**
- **Develop internal testing**
- **Develop training**

Conclusion

External steps needed to move toward new standard (s)

- *Timeframe for implementation – at least 2 years*
- *Industry implementation plan*
- *Central source for monitoring progress*
- *Central source to identify issues and resolve*
- *Phased in approach (dual version supported)*
- *Industry wide approved coordinated testing plan*
- *Everyone held to implementation schedule and testing*
- *CMS help in enforcing schedule*
- *Payer sheets at least 90 days in advance*
- *Prevent implementation prior to mandatory date*

Conclusion

Today's increase in business due to Medicare Part D requires additional time for pharmacist (s) and pharmacy teams to deliver quality care. Anything we can do to maximize pharmacist (s) time spent with individual patient care as opposed to their time spent resolving pharmacy claim issues is a win-win for all involved……

Thank You

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