



# Operating Rules for Eligibility and Claims

NCVHS Hearing

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Walgreen Co.

*Walgreens* There's a way™



# AGENDA

- Introduction
- Eligibility
  - Current Use
    - NCPDP
    - 270/271
  - Issues
- Claims Status
  - Current Use
  - Issues
- Recommendations



# The Walgreen Company

- Operate 8,038 locations in all 50 states, District of Columbia, Puerto Rico and Guam as of 6/30
- Have 7,541 drugstores nationally
- Also operate worksite health centers, home care facilities and specialty and mail service pharmacies
- More than 700 in-store convenient care clinics and worksite health and wellness centers with Take Care Health Systems



# Administrative Simplification

- The Final Rule States:

“(i) ELIGIBILITY FOR A HEALTH PLAN AND HEALTH CLAIM STATUS.—The set of operating rules for eligibility for a health plan and health claim status transactions shall be adopted not later than July 1, 2011, in a manner ensuring that such operating rules are effective not later than January 1, 2013, and may allow for the use of a machine readable identification card.



# Eligibility ...NCPDP

- Use in Telecom Standard
  - Applies to Version 5.1 or D.0
    - Claim is Adjudicated real-time to payer
- Stand-Alone Transaction (E1)
  - Part D Eligibility Verification
  - Useful when patient changes plan or doesn't have ID card
  - Returns current patient Part D information
  - Response returned within seconds



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# NCPDP (E1)

- Business Rules are clearly defined in Implementation Guide (6.1.1.1)
- NCPDP Version D.0
  - All fields were reviewed
    - Situations are clearly defined
    - Some fields are marked as “not used”
    - No optional fields



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# Eligibility...270/271

- Used in conjunction with Formulary and Benefits transaction by prescriber
  - Returns Patient Eligibility information (plan)
    - Then Formulary search can be performed
- Also used for Part B claims
  - Checks patient eligibility on Medicare file



# Issues

- Would question whether 270/271 can handle pharmacy claim volume on a real-time basis





# Claim Status... Current Use

- Telecommunication Standard
  - Status of Claim returned real-time in response to provider
- Only use in 837 which is rarely



# Claim Status...Issues

- Claim Status does not apply to NCPDP Standards
- Should only apply to X-12 standards



# Processing Recommendations

- Consolidation of standards could lead to administrative burden for pharmacy
  - Pharmacy is unique
  - Consult industry when adopting standards used by others
    - Adopt NCPDP 835 guidance
    - Adopt NCPDP IMP guide for Machine Readable ID Card
    - Expand use of E1 to commercial plans for HC Reform
  - Payer sheets are essential for pharmacy to continue doing business
- NCPDP is working with CORE on Operating Rules



# Recommendations...for Operating Rules

- Development and approval of “operating rules” must be part of the standards development process
- Should be brought forward and developed during early phases of the standards development process
- Need to accelerate and organize the regulatory process for adoption of standards



# Recommendations...for Operating Rules - Transmission

- Pharmacy claims have been transmitting on-line using NCPDP standards effectively for over 15 years
- Pharmacy should be protected under “Safe Harbor”
- Should be exempt from this requirement



# Recommendations... for Situational Rules

- NCPDP Version D.0 has vastly improved the implementation guide by:
  - Well defined business cases throughout the 1200 page document
  - Data elements and fields within each segment have situations defined
  - It is impossible to make all fields dependant upon a set of values from another field
  - Well laid out payer sheet Template
  - Version D Editorial Guide is available



# Thank You!

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