



**Keep the Revenue Cycle moving...**  
***5010 compliance: it's not too late***

# Presentation



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- ↪ Introductions
- ↪ What is 5010 / ICD-10?
- ↪ How does the 5010 standard affect provider organizations?
- ↪ How do these standards affect what we do?
- ↪ What needs to be performed?
- ↪ 5010 Compliance Process
- ↪ About Celera Group


A physician who currently relies on paper and telephone calls for insurance administration may be able to **save more than \$42,000 a year** through ... electronic transactions...

These are savings that go right to the bottom line.



*Source: Electronic Transaction Savings Opportunities For Physician Practices, Phelan, J. & Naugle, A. 2006, Milliman, Inc.*

# What is 5010 / ICD-10?

## Standards for Electronic Transactions New Versions, New Standard and New Code Set

“On January 16, 2009, HHS published two final rules to adopt updated HIPAA standards.

In one rule, HHS is adopting **X12 Version 5010 and NCPDP Version D.0 for HIPAA transactions**. For Version 5010 and Version D.0, **the compliance date for all covered entities is January 1, 2012**. This gives the industry enough time to test the standards internally, to ensure that systems have been appropriately updated, and then to test between trading partners before the compliance date...

In a separate final rule, HHS modifies the standard medical data code sets for coding diagnoses and inpatient hospital procedures by **concurrently adopting the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) for diagnosis coding and the International Classification of Diseases, 10th Revision, Procedural Coding System (ICD-10-PCS) for inpatient hospital procedure coding... The implementation date for ICD-10-CM and ICD-10-PCS is October 1, 2013 for all covered entities.**”

Source: US Department of Health and Human Services, Centers for Medicare and Medicaid Services, 2010.  
[https://www.cms.gov/transactioncodesetsstands/02\\_transactionsandcodesetsregulations.asp](https://www.cms.gov/transactioncodesetsstands/02_transactionsandcodesetsregulations.asp)

# What is 5010 / ICD-10?

## Standards for Electronic Transactions New Versions, New Standard and New Code Set

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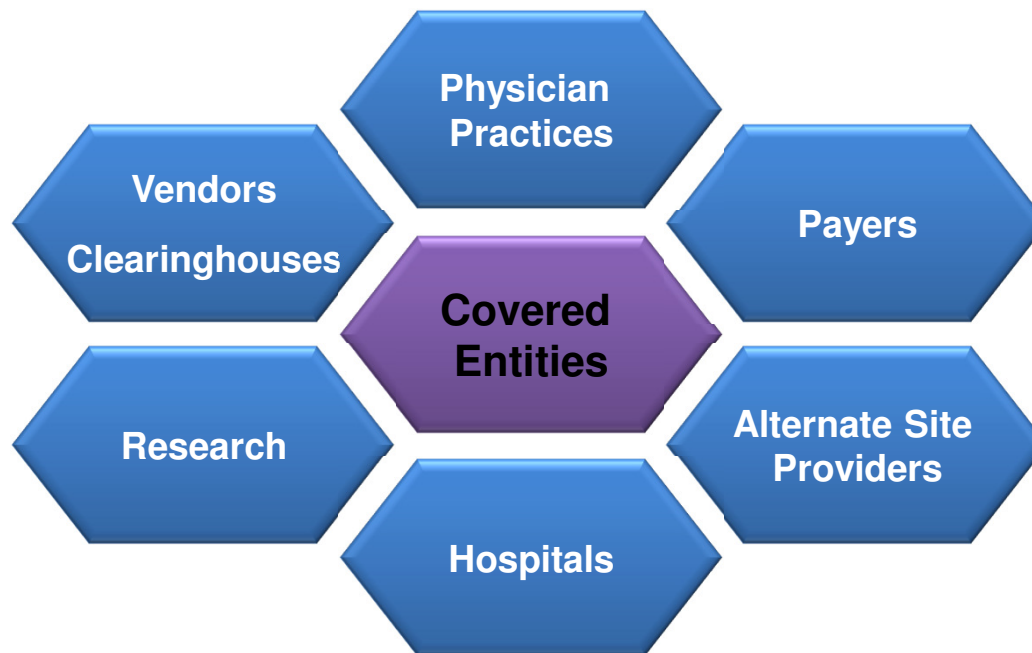
“The implementation date for ICD-10-CM and ICD-10-PCS is **October 1, 2013** for all covered entities.”

“Version 5010 accommodates the ICD-10 code sets, and has an earlier compliance date than **ICD-10 in order to ensure adequate testing time** for the industry.”

Source: US Department of Health and Human Services, Centers for Medicare and Medicaid Services, 2010.  
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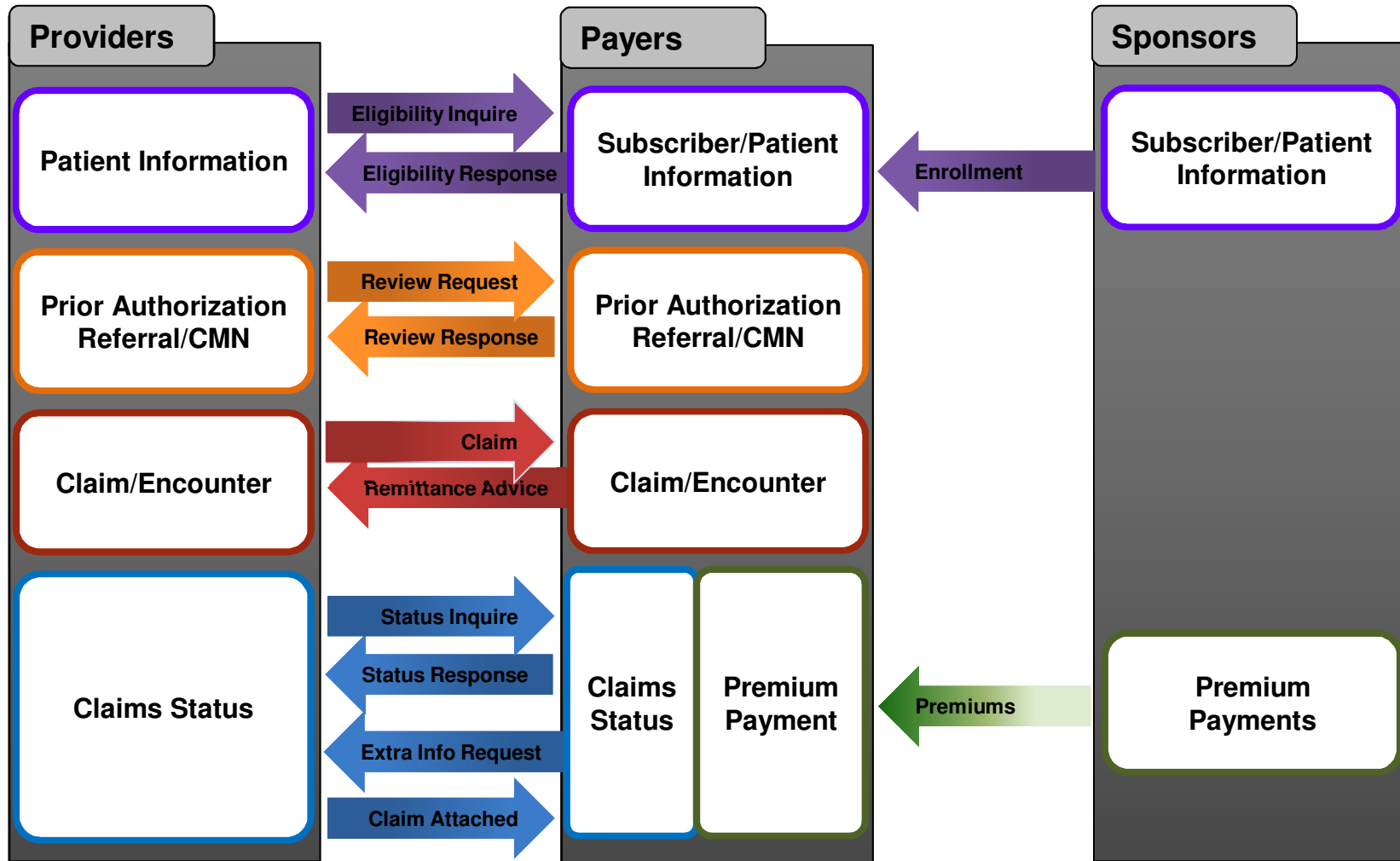
# Who is affected by these changes?

These rules apply to all HIPAA *covered entities*, which includes hospitals, physician practices, health plans, clearinghouses, and additional healthcare providers.



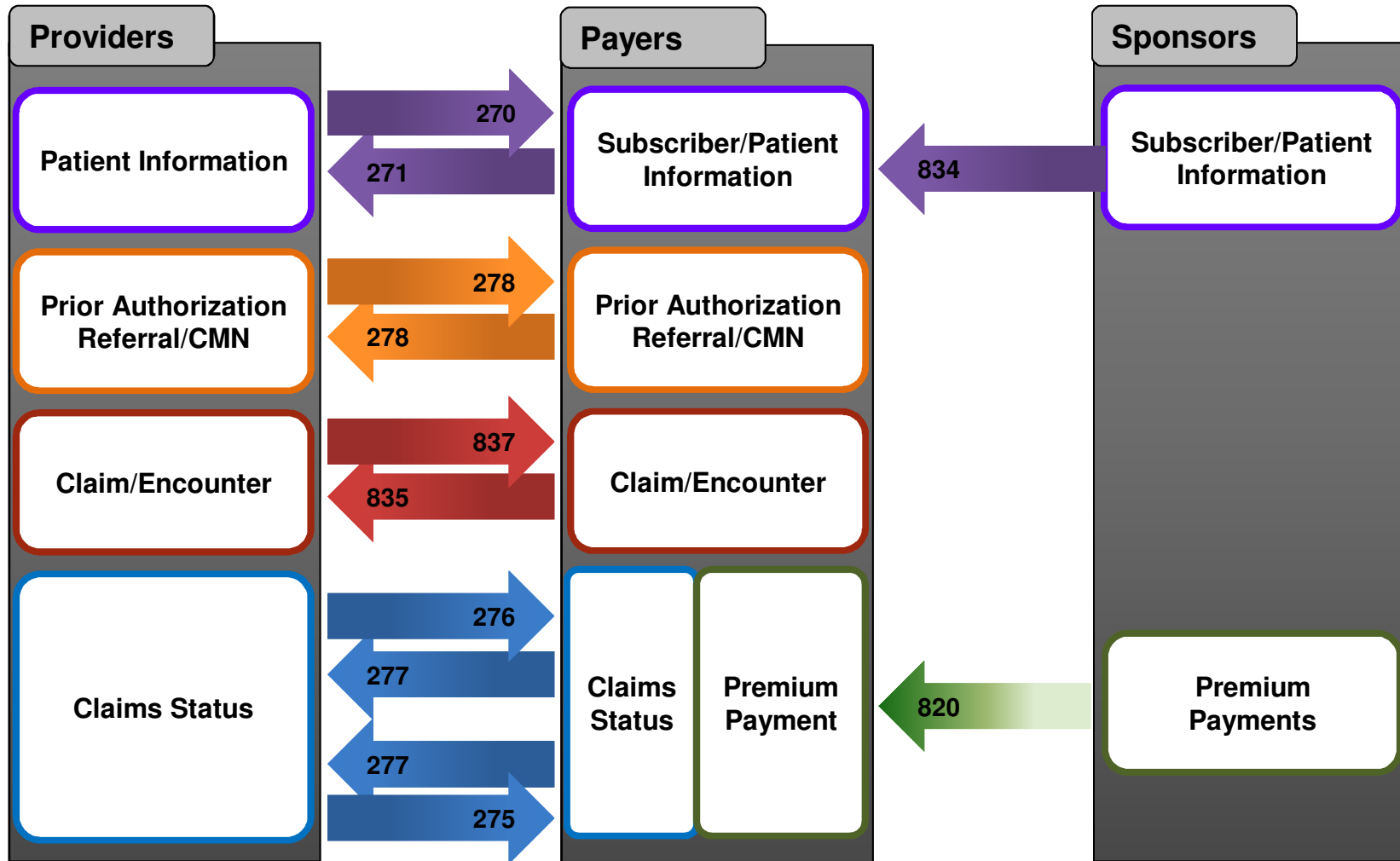
# What do these standards affect?

## Transactions Affected by 5010 Standards



# What do these standards affect?

## EDI Transaction Sets Affected by 5010 Standards





# What do these standards affect?

Methods for sending and receiving electronic health information  
Format of electronic data interchange transactions

**Affected Transactions**

Billing for Institutional and Professional claims

Remittance advice

Eligibility verification

Claim status requests

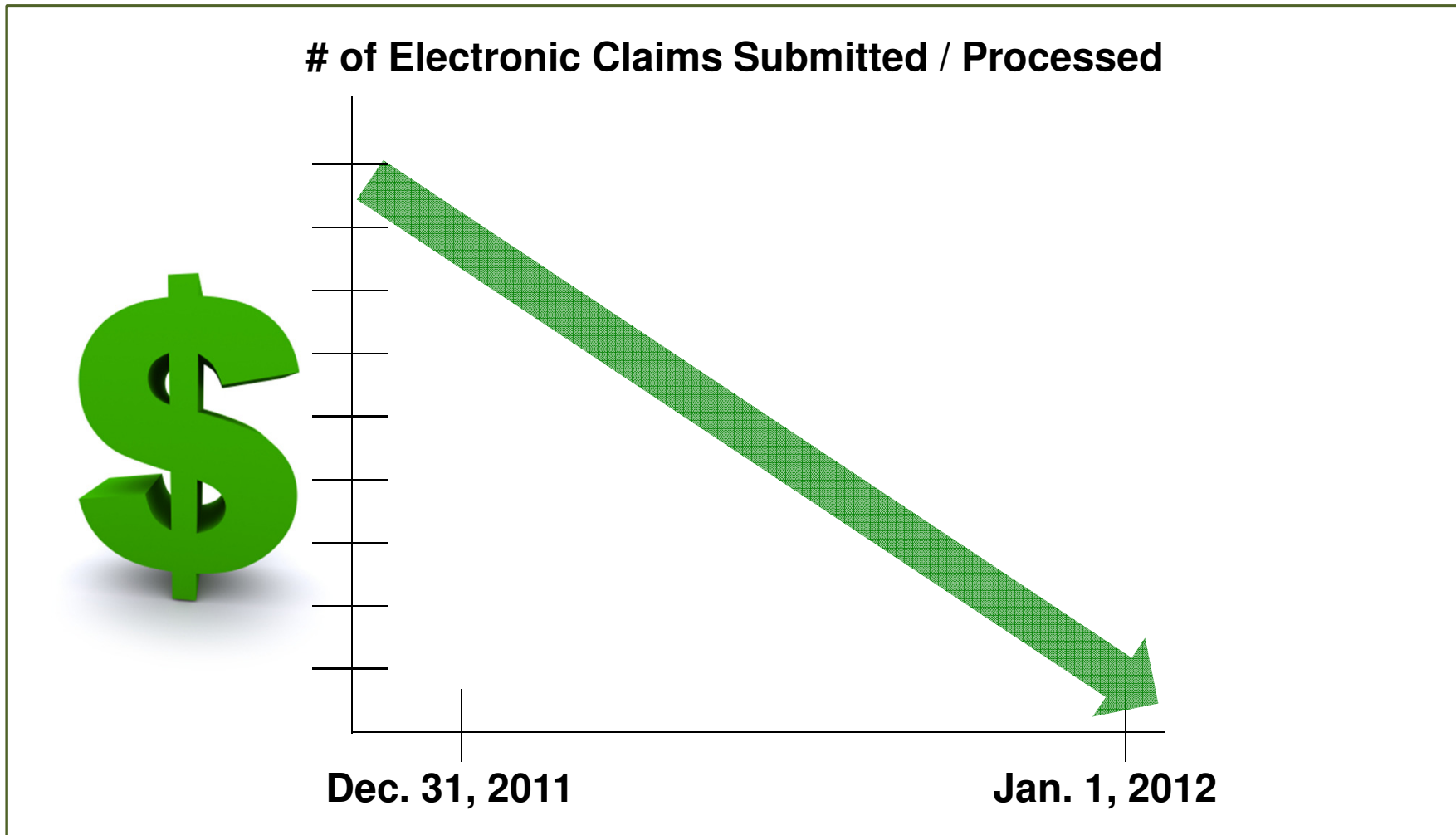
Authorization requests

Pharmacy billing

# What do the changes involve?

- Situational Rules
  - Stricter standards / less flexibility
  - Shorter or non-existent implementation guides
  - Well defined rules
- Significant data and structural updates to electronic data interchange (EDI) files
  - Allow for sending ICD-10-CM and ICD-10-PCS codes
  - Fields lengthened to allow for more data
  - Consistency across file structures
- Changes require that vendors and/or knowledgeable software developers modify the files and systems to accept the new formats

# Effect of non-compliance



# How long do we have to get ready?

## **Level I testing to be completed by Dec. 31, 2010**

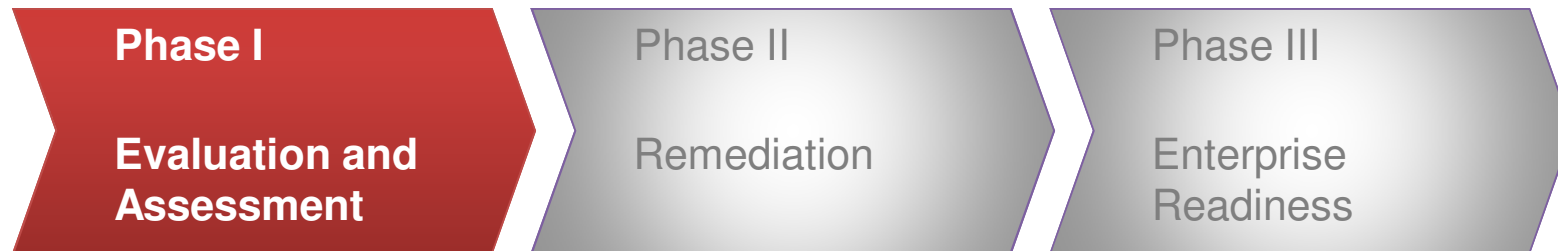
This is the period during which covered entities perform all their internal activities to prepare testing for the new versions 5010 and D.0. with their trading partners. Level I compliance means a covered entity can create and receive compliant transactions and has completed all of the required internal activities and testing.

## **Level II testing is to be completed by Dec. 31, 2011**

Level II compliance involves *external testing with trading partners*. However, covered entities must be compliant with Level I activities before they can prepare for Level II testing. Level II compliance means that a covered entity has completed end-to-end testing with each of its trading partners and is in production mode.

# 3-Phase Compliance Process

Process ensures all the affected systems are identified, modified, tested, and the staff is prepared to use them.



Systems assessment  
Current state assessment  
Business impact assessments  
Technical impact analysis  
Remediation plan development  
Budget development

# 3-Phase Compliance Process

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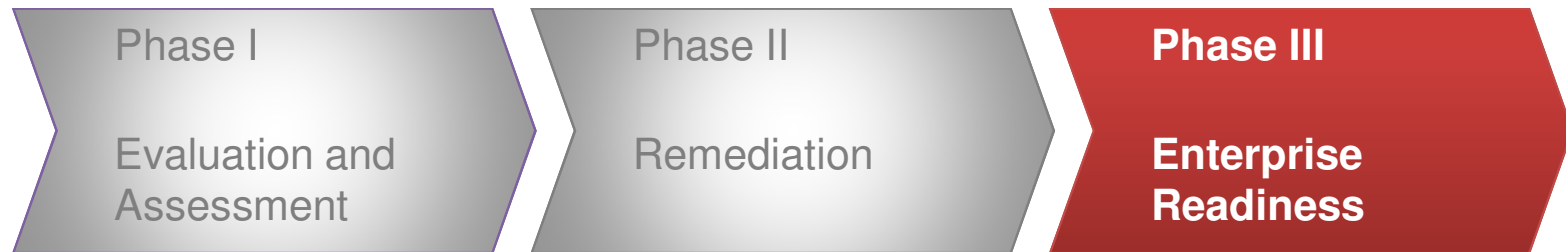


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Vendor management  
Software development  
Application/system testing

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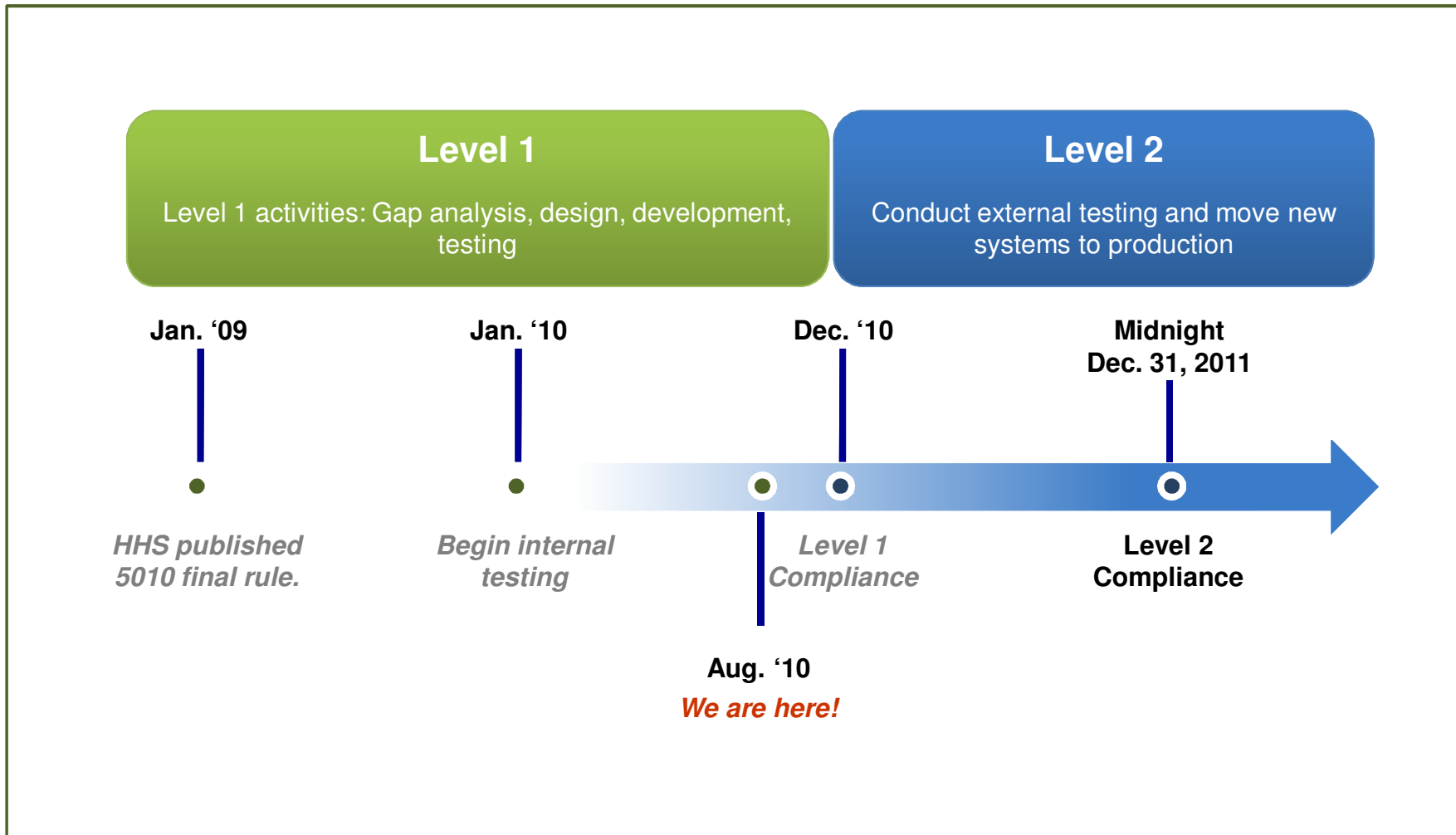
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**System documentation**  
**End-user training**  
**User support**

**YOU ARE NOW  
COMPLIANT**

# 5010 Compliance Timeline



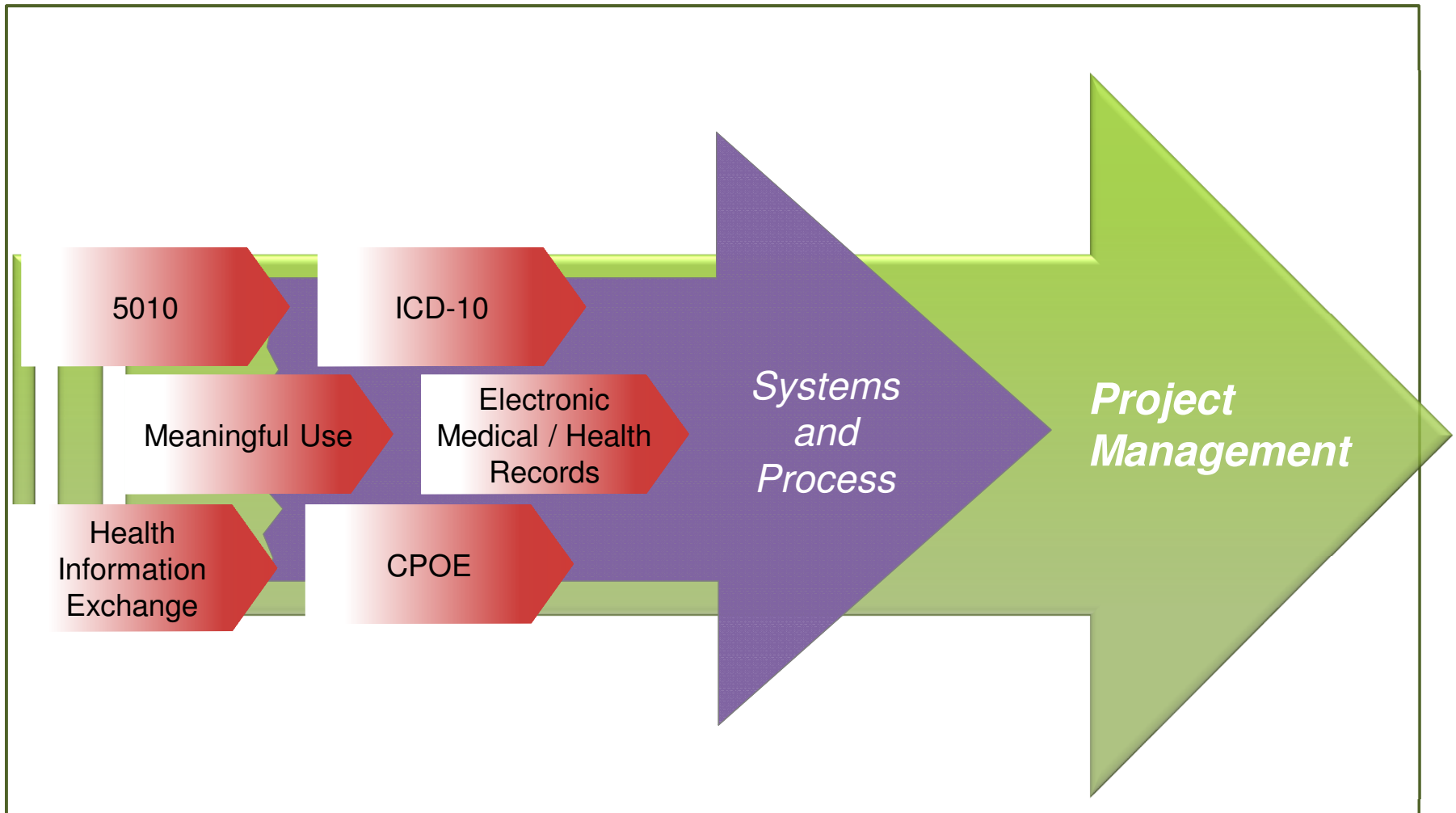


# Resources Required

The following resources, at a minimum, are required to complete the 5010 assessment and remediation.

- Executive Sponsor (CFO, CIO, or Business Office Director recommended)
- Project Manager(s) – based on number of facilities and systems complexity
- Software Developer(s) – internal applications, EMR vendors
- Quality Assurance/Software Testers – internal applications, EMR vendors
- 5010 testing team – Business office, billing specialists, IS managers, etc.  
“All Hands On Deck”

# Operational Readiness



# Celera Group



***celera|group***

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