
Healthcare: The Next Y2K.

“ICD-10/HIPAA 5010/NCPDP remediation.”

Background

On the 15th of January, 2009, the Department of Health and Human Services (HHS) released the final rule for implementing the 5010 transaction standard for health care claims, and version D.0. for pharmacy claims. The final rule indicates that trading partners have to be ready to exchange 5010 transactions starting December 2010, and MUST exchange 5010 transactions starting the 1st of January, 2012.

Also released January 15th was the final rule regarding the implementation of the ICD-10 code sets. The ICD-10 implementation deadline is being pushed back two years to the 1st of October, 2013.

The World Health Organization (WHO) and National Center for Health Statistics (NCHS) have initiated these changes in the healthcare industry, which impact healthcare providers, insurance and billing agencies and healthcare facilities. These changes will reshape the way electronic health records are created, updated and stored in the industry. The National Council for Prescription Drug Programs has also issued changes in order to maintain compliance with the new HIPAA standards. Below is an overview of the expectations and changes in each of these regulatory standards.

ICD-10

Medical coding has used ICD-9 (International Classification of Diseases, revision 9) in coding diagnostics in health records since 1977. This is a numeric code that is applied to do a diagnosis that makes stating a diagnosis in health records and billing practices based on that diagnosis easier. For example, the code for Rheumatoid Arthritis with other visceral involvement is 714.2. These four digit codes allowed a computer database to manage the billing, treatment and categoric reporting of the disease without providing much detail. The ICD-10 coding allows for alphanumeric codes to be used to more completely describe the diagnosis. M06.51 describe Rheumatoid Arthritis, in the right hip and sub codes will describe the other visceral involvements.

ICD-10 has already been implemented in other countries, and will be a requirement in the United States by April 2013.

HIPAA 5010

The Health Information Portability and Accountability Act of 1996 (HIPAA) implemented revision 4010 as an identifier of the current addenda release. The HIPAA 5010 is a new addenda to this act that allows for ICD10 and states other requirements that have been amended, including new standards for the electronic transmission of electronic health records.

NCPDP

The National Council for Prescription Drug Programs has issued additional regulatory compliance requirements involving the ICD10 coding and health record transmission in accordance with the HIPAA 5010.

Each of these standards has an impact of data entry, data transfer, data storage and data recovery.

What does this mean to the average healthcare office?

These changes effect every level of healthcare, insurance and health management organization in the country. These impacts will be felt by all in the healthcare community, although the impact will vary based on your office environment. Even the few physicians that do not interact with insurance billing will have to implement the ICD10 code in order to manage public health recording and exchange of information with other practices.

What needs to be done?

There are several items that need to be addressed in order to comply with the new regulations. Very little help is available from the organizations that have implemented them.

We at Burton Asset Management have created a strategy to assist healthcare organizations with compliance challenges.

This strategy includes the items listed below:

1. Training Assessment and Needs Analysis
2. Business Process Analysis
3. Coordinating Partner Transition
4. Software and Hardware Gap Analysis
5. Storage and Data Recovery Solution
6. Timeline for Implementation

Re:Think...

change. Are we preparing clients for the next change, and the next change, and the next...? This is why business continuity disaster recovery is a **process** and not a project.

Contact

Kevin Burton

kevin@thinkbam.com

480.239.9724

Angela McGee

angela@thinkbam.com

480.239.5647