DHHS 5010 / NCPDP / ICD-10 Assessment Initiative: Update for PAG/TAG

March 17, 2011
Background

- Through the Centers for Medicare & Medicaid Services (CMS), the federal government is driving the health care industry to upgrade core HIPAA transactions (5010 and NCPDP), as well as diagnosis and inpatient procedure coding.
- Upgrades will be phased in over an approximate two-year period culminating with the transition to ICD-10 on October 1, 2013.

<table>
<thead>
<tr>
<th>Change</th>
<th>Compliance Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5010</strong>: Upgrades the X12 4010 electronic transaction standards to X12 5010</td>
<td>January 1, 2012</td>
</tr>
<tr>
<td><strong>NCPDP D.0 / 1.2</strong>: Revises electronic standards for retail pharmacies from NCPDP 5.1 / 1.1 and implements a new Medicaid subrogation transaction</td>
<td>D.0 / 1.2 – January 1, 2012</td>
</tr>
<tr>
<td><strong>ICD-10</strong>: Transitions diagnosis and inpatient procedure codes from ICD-9-CM to ICD-10 CM and PCS</td>
<td>October 1, 2013</td>
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</table>
The Electronic Transaction Changes

There are many changes to the 5010 transaction set and the NCPDP electronic data transmission standards

### 5010 Changes

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>837</td>
<td>Claims (institutional, professional, dental)</td>
</tr>
<tr>
<td>835</td>
<td>Payment and remittance advice</td>
</tr>
<tr>
<td>270/271</td>
<td>Eligibility (request/response)</td>
</tr>
<tr>
<td>276/277</td>
<td>Claim status (request/response)</td>
</tr>
<tr>
<td>834</td>
<td>Enrollment and disenrollment in a health plan</td>
</tr>
<tr>
<td>820</td>
<td>Premium payment</td>
</tr>
<tr>
<td>278</td>
<td>Referral certification/authorization (request/response)</td>
</tr>
</tbody>
</table>

- More than 1,600 changes to address 4010 deficiencies and support ICD-10

### NCPDP Changes

- Telecommunication Standard v. 5.1 and Batch Standard v. 1.1
  - Health care claims
  - Coordination of benefits
  - Eligibility for a health plan (request and response)
  - Referral certification and authorization (request and response)

- Supports Medicare Part D and streamlines processing

### Pervasive Impacts
- Exchanges with external partners require updates for many complex connection points
- Significant testing will be required

### Multi-Disciplinary Challenge
- Business/technology strategy and planning required
- Technology remediation
- Business process reengineering and training required
The ICD-10 Transition

ICD-10 codes introduce greater detail, specificity, and complexity when recording diagnoses and inpatient procedures

<table>
<thead>
<tr>
<th>ICD-10 Changes</th>
<th>Implications</th>
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</thead>
<tbody>
<tr>
<td>Complete Overhaul of Diagnosis &amp; Procedure Codes</td>
<td></td>
</tr>
</tbody>
</table>

ICD-9-CM (Diagnosis)
- 5-digit numeric
- ≈ 14,000 unique codes

ICD-10-CM
- 7 alphanumeric characters
- > 68,000 unique codes

ICD-9-CM (Inpatient Procedure)
- 4-digit numeric
- ≈ 4,000 unique codes

ICD-10-PCS
- 7 alphanumeric characters
- > 72,000 unique codes

**Pervasive Impacts**
- Diagnosis codes and procedure codes flow through mission-critical operational systems and analytical tools
- Enterprise training required from claims processing to medical management to actuarial business domains
- Significant data exchanges with external partners
- Currently there is no full, standardized crosswalk between ICD-9 and ICD-10

**Multi-Disciplinary Challenge**
- Business/technology strategy, planning, and technology remediation are required
- Business process reengineering, training, and change management are essential
## Industry Status

### Private Sector Payers
- Commercial payers, like insurance companies and managed care plans, are leading readiness efforts at this time.
- Majority have completed assessments to determine the impact of the changes.
- Almost 75% of health plans are working on implementing their solutions.
- 5010 / ICD-10 looks to be more costly and complex than anticipated.

### Providers
- Provider efforts are behind those of payers, but are stepping up; only 20-30% of providers have initiated planning, training, and preparation efforts.
- Readiness for 5010 transactions is further along, but is a bigger change than some providers realize.

### Public Sector Payers
- The Centers for Medicare & Medicaid Services (CMS) indicates it will be ready – testing is in progress for the Medicare program.
- Many states are aware that the changes will have a big impact on their Medicaid and Health and Human Services programs, but have been busy with other projects and are facing budgetary constraints.
- States are beginning to take action.
- CMS is actively monitoring state readiness efforts.
DHHS Approach

- The changes impact the systems and business processes of the Office of MaineCare Services (OMS), as well as those of Department of Health and Human Services (DHHS) Program Offices. The changes also will affect the complex relationships that OMS and DHHS have with providers and vendors.

- DHHS is currently conducting a comprehensive project to assess the implications of the 5010 / NCPDP / ICD-10 changes, identify solutions, and develop an implementation roadmap.

### DHHS Approach

1. **Assess Impact and Create 5010 / ICD-10 Roadmap**
   - **February**
     - Assess impact on people, process, and technology
     - Review vendor readiness
     - Explore strategic opportunities
   - **March**
     - Analyze and confirm technical solutions
   - **April**
     - Outline initiatives
   - **May**
     - Develop implementation roadmap and cost estimates
   - **June**
     - Develop project management plan, governance, and detailed project plans for various initiatives
   - **July**
     - Launch Program

**MaineCare Impact Assessment**

**Program Office Impact Assessment**

**Solution Options**

**Implementation Plan**

**Program Governance & Project Plans**
Progress to Date

- Drafted and delivered project charter
- Developed project governance model and roles and responsibilities
- Established key project management tools
- Developed detailed project plan
- Conducted project team kick-off meeting (2/15)
- Developed and delivered Awareness Training (2/17)
- Scheduling and conducting initial Discovery Sessions to assess impact on people, process, and technology

Office of Information Technology

- Systems
- Databases
- Interfaces

Office of MaineCare Services

- Member Management
- Provider Management
- Contractor Management
- Business Relationship Management
- Operations Management
- Program Management
- Program Integrity Management
- Care Management

Program Offices

- Office of Adult Mental Health Services
- Office of Adults with Cognitive and Physical Disabilities
- Office of Child and Family Services
- Office of Elder Services
- Office of Substance Abuse
- Office of Integrated Access and Support
- Maine Center for Disease Control and Prevention
- DHHS Office of Quality Improvement