5010/ICD10 EDUCATIONAL WEBINAR

- **Panelists:**
  - Amy Blackburn, Client Manager, ZirMed
  - Linda Vatter, Director of Sales, ZirMed
  - Clayton Case, Product Analyst, Raintree
  - Jason Donahoe, Director – Product Management, Raintree
  - Stephen Welty, National Director – Business Development, Raintree

- **Presentation:** 45 Minutes
- **Questions and Answers:** 15 Minutes
HIPAA OVERVIEW AND ROAD MAP

What is HIPAA?
The Department of Health and Human Services made the following announcements in January 2009

- The industry will need to move to the version 5010 standard for electronic transactions, effective January 1, 2012
- The industry will transition to ICD-10 for coding and adjudicating health care claims, effective Oct. 13, 2013

All HIPAA Covered Entities must comply

- Providers, Health Plans, Clearinghouses and Business Associates of Covered Entities (Billing Services)

Standards required to be adopted when conducting electronically the following healthcare transactions

- Claims, Remittance, Eligibility, Claim Status, Referral and Authorization
5010 and ICD10 Mandates

- HIPAA legislation mandates that the healthcare industry use standard formats for electronic claims and related transactions

- Version 5010 standard implements the infrastructure preparation for ICD-10
  - Version 5010 accommodates ICD-10 CM & PCS code sets; 4010A1 does not.
  - ICD-10 cannot function without Version 5010
## Industry Milestones – Important 5010/ICD-10 Dates

<table>
<thead>
<tr>
<th>Target Date</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2009</td>
<td>Begin Level 1 activities (Gap analysis, design, development, internal testing)</td>
</tr>
<tr>
<td>Jan 2010</td>
<td>Begin internal testing for Versions 5010 &amp; D.0</td>
</tr>
<tr>
<td>Dec 2010</td>
<td>Achieve Level 1 compliance (Covered entities have completed internal testing and can send and receive compliant transactions)</td>
</tr>
<tr>
<td>Oct 2010</td>
<td>HHS published a notification that adopts errata documents for the applicable 5010 transactions</td>
</tr>
<tr>
<td>Jan 2011</td>
<td>-Begin Level 2 testing period activities (external testing with Trading Partners and move into production; dual 4010A/5010 processing mode)</td>
</tr>
<tr>
<td></td>
<td>-Begin initial ICD-10 compliance activities (Gap analysis, design, development, internal testing)</td>
</tr>
<tr>
<td>Jan 1, 2012</td>
<td>5010/D.0 Compliance Date for all covered entities. (This date is firm)</td>
</tr>
<tr>
<td>Oct 1, 2013</td>
<td>The Compliance date for ICD-10-CM and ICD-10-PCS is October 1, 2013 for all covered entities.</td>
</tr>
</tbody>
</table>
5010 and Errata

- 5010 transactions with Errata versions
  - On October 13, 2010 HHS published a notification that adopts errata documents for the applicable 5010 transactions.

- Impact of the Errata changes
  - The publication of the errata documents and their subsequent adoption by HHS as the standard does not change the 5010 compliance date. All covered entities must use only the 5010 (with errata) transactions as of Jan 1, 2012.

- Transactions with Errata
  - Claims, remittance, eligibility, Sub-level, enrollment and disenrollment in a health plan
## ZirMed 5010 Readiness

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Testing with Submitters</th>
<th>Testing with Payers</th>
</tr>
</thead>
<tbody>
<tr>
<td>837 Professional</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>837 Institutional</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>835 ERA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>270/271 Eligibility</td>
<td>Ready to Test</td>
<td>Ready to Test</td>
</tr>
<tr>
<td>276/277 Claim Status</td>
<td>Ready to Test</td>
<td>Ready to Test</td>
</tr>
</tbody>
</table>

* All Transactions above are errata ready
PREPARING FOR THE MANDATES

Timelines
5010 – What You Need to Do to Prepare

- **Educate yourself**
  - Formats upgraded from 4010A1 to 5010
  - Systems that submit claims, receive remittances, exchange claim status or eligibility inquiry and responses must be analyzed to identify software and business process changes
  - Understand the business impact of the 5010 enhancements and update the workflow to collect and enter incremental 5010 content

- **Analyze the changes**
  - You will find FAQ’s, impact assessment documents, gap analysis protocols, webinars and more.

- **Contact your Practice Management (PM) system vendor**
  - Where are they in the 5010 upgrade process?
  - Work as a team with the vendor/Clearinghouse to resolve issues. This allows for efficiencies for both the providers and the vendors.
5010 – What You Need to Do to Prepare

- Decide whether to implement HIPAA 5010 or stay with your current format
  - If implementing the 5010 format internally, be sure you schedule ample time for the changeover
  - Whether or not you change your in-house systems to 5010, you need to allow additional time for thorough testing of 4010 or 5010 files to ensure smooth processing prior to the 5010 compliance deadline of January 1, 2012

- Test early—and test often
  - Testing serves multiple purposes—from helping you decide whether or not to migrate to 5010 internally, to affirming your final choice
  - If staying with your current format make sure you test against 5010 validations in order to assess the risk.
  - This will not only tell you what you need to change, but also ensure that ZirMed (clearinghouse) can convert your files to the HIPAA 5010 format with no additional work on your part.

- Know what resources are available to you
  - ZirMed has put together a 5010 resource center: http://info.zirmed.com/5010resourcecenter
  - 5010 & ICD10 FAQs
  - CMS has a 5010 and ICD10 area on their website
  - WEDI and others
Questions to Consider

- Are there NPI crosswalk modifications needed?
  - Bill all payers with same NPI enumeration

- Is the billing provider reported correctly?
  - Physical address reported
  - Lowest level of NPI enumeration

- Do all your billing provider and facility addresses have a 9 digit zip codes?
5010 Changes to Keep in Mind identified during testing

- Medicare Accept Assignment Code
  - Changed to Assignment or Plan Participation Code

- Release of Information Code
  - To align with Privacy Rules, 5010 only allows values of “I” (Informed consent) or “Y” (Yes, signed release)
  - Providers should no longer use “A”;”M”;”N”;”O”

- Principal/Other Procedure Codes (Institutional)
  - The use of HCPCS codes is not valid at the claim level and, as such, is no longer allowed in 5010, must only use an ICD-9 PCS
  - Providers should no longer use HCPCS codes for principal/Other
ICD-10 UPDATE

What is ICD-10?
Preparing for ICD-10

- **What is ICD-10?**
  - ICD-10 is a coding of diseases and signs, symptoms, abnormal findings, complaints, social circumstances and external causes of injury or diseases, as classified by the World Health Organization (WHO)

- ICD-10-CM and ICD-10-PCS will replace the current ICD-9-CM code set.

- The implementation will be a single implementation date for all users
  - Date of service for ambulatory and physician reporting
  - Date of discharge for inpatient settings
Why Switch Code Sets Now?

- The industry has used ICD-9 codes for over 25 years
  - The code set is not up to date with the changes in medicine, with newer conditions and newer ways of treating patients.
  - ICD-10 diagnosis has been designed to capture much more specific information on the patient’s diagnosis.
  - ICD-10 procedure will enable hospitals to record much more specific information on procedures performed and devices used
# Comparison of ICD-9 to ICD-10

<table>
<thead>
<tr>
<th>ICD-9-CM vol 1&amp;2 (Diagnosis)</th>
<th>ICD-10-CM (Diagnosis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 digits</td>
<td>3-6 alphanumeric plus qualifier</td>
</tr>
<tr>
<td>821.01 – Closed Fracture of shaft of femur</td>
<td>S72.344 – Displaced spiral fracture of shaft of right femur</td>
</tr>
<tr>
<td>~14,000 unique codes</td>
<td>~69,000 unique codes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ICD-9-CM vol 3 (Procedure)</th>
<th>ICD-10 PCS (Procedure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4 digits</td>
<td>7 alphanumeric</td>
</tr>
<tr>
<td>47.01 – Laparoscopic appendectomy</td>
<td>ODTJ4ZZ – Laparoscopic appendectomy</td>
</tr>
<tr>
<td>~4,000 unique codes</td>
<td>~87,000 unique codes</td>
</tr>
</tbody>
</table>
In conclusion ...

- ZirMed can continue to support those providers who are not able or wish to upgrade natively to 5010. ZirMed has upgraded its systems to be flexible enough to meet 5010 requirements, yet still fully support providers who do not upgrade.

- Get educated; test early and often; and rely on ZirMed to help you navigate every step of the journey to successful HIPAA 5010 implementation.
Agenda

- HIPAA Overview & Road Map
- 5010 & ICD10 Mandates
- Preparing for the Mandates - Timelines
- Early Testing Findings
- ICD-10 Update
- How can ZirMed help
- Summary of Regulatory Mandates
The Perfect Storm

- HIPAA I and II
  - Administrative Simplification
  - Privacy and Security

- Meaningful Use
- Standards
- EHR Certification

- 2010 Health Reform
- Other
  - (State Laws, e-Prescribing, etc)
HIPAA Overview

- The Health Insurance Portability & Accountability Act of 1996 (HIPAA), Public Law passed by Congress
  - Improve portability and continuity of health insurance coverage
  - Combat waste, fraud and abuse
  - Reduce costs of healthcare
  - Ensure protection of Americans’ personal health record

- Covers four areas
  - Standardized Transactions
  - Code Sets
  - Unique Identifiers
  - Privacy and Security of individually identifiable health information
<table>
<thead>
<tr>
<th>HIPAA Regulation</th>
<th>Final Rule</th>
<th>Implementation</th>
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</thead>
<tbody>
<tr>
<td>Privacy</td>
<td>August 2002</td>
<td>April 14, 2004</td>
</tr>
<tr>
<td>Security</td>
<td>February 2003</td>
<td>April 21, 2005</td>
</tr>
<tr>
<td>National Employer Identifier May 2002</td>
<td>May 2002</td>
<td>July 30, 2004</td>
</tr>
<tr>
<td>NPI</td>
<td>January 2004</td>
<td>May 2008</td>
</tr>
<tr>
<td>NCPDP D.0</td>
<td>January 2009</td>
<td>January 1, 2012</td>
</tr>
<tr>
<td>ICD-10-CM; ICD-10 PCS TR3 5010 Errata</td>
<td>January 2009</td>
<td>October 1, 2013</td>
</tr>
<tr>
<td></td>
<td>October 2010</td>
<td>January 1, 2012</td>
</tr>
</tbody>
</table>
5010 & ICD10 MANDATES

New HIPAA Legislation
Innovations that simplify healthcare reimbursement

ZirMed is an information technology company with a passion for simplifying the complexities of healthcare payments for providers and their patients. With online innovations, we turn dozens of steps into an easy click. We turn hundreds of problems into a simple solution.

And now we’re taking steps to help you thrive in 2011. From our Resource Center, to industry expert led webinars, to our virtual client conference, we are here for you to help your practice thrive.

Excellent claims management and revenue generation don’t have to be complicated. At ZirMed, simplicity drives innovation.
Overview
In January 2009, the U.S. Department of Health and Human Services (HHS) set a course for the transition to electronic healthcare records via the HIPAA Version 5010/D.0 final rule. 5010 updates the standards for electronic healthcare transactions including claims, remittances, eligibility, and claims status requests/responses. The rule requires covered entities (health plans, health care clearinghouses and certain health care providers) to be more specific in what data is required, collected and transmitted. The goal of 5010 is to reduce ambiguity, increase the consistency of information, and enable more precise industry benchmarks to be established.

The general changes in Version 5010 include:

- More standardized front matter
- Industry needs that were not addressed in the earlier standard (HIPAA 4010)
- Clarification of previously ambiguous transaction information
- Improved instructions for business transactions; in particular, those affected by privacy issues subject to “minimum necessary requirements”
- Addition and/or deletion of code values and qualifiers in order to address industry requests and to reduce confusion from similar or redundant values

Furthermore, Version 5020 includes additions, deletions, updates and new functions in specific ASC X12 transaction classes.

ZirMed’s Role
- ZirMed will be ready to send and receive 5010 test files starting June 16, 2010
- ZirMed will work with all payers to determine their readiness for testing and will convert as payers indicate target dates
- ZirMed will be able to convert 4010, NSF, and Print submissions to the 5010 format where necessary
### Professional Claims (837) Data Elements
#### 5010 Summary of Changes

<table>
<thead>
<tr>
<th>Loop</th>
<th>Segment</th>
<th>Element</th>
<th>Component</th>
<th>Name</th>
<th>Description</th>
<th>Added</th>
<th>Deleted</th>
<th>Relocated</th>
<th>Repeat Changed</th>
<th>Usage Changed</th>
<th>Qualifier Changed</th>
<th>Note Changed</th>
<th>Size Changed</th>
</tr>
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<tbody>
<tr>
<td>Header</td>
<td>ST</td>
<td>03</td>
<td>Implementation Guide Version Name</td>
<td>Required element added. The only valid value is 005010X222. This replaces the REF segment found in the Header of the 4010A.</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Header</td>
<td>BHT</td>
<td>03</td>
<td>Originator Application Transaction Identifier</td>
<td>Max length increased from 30 to 50 although field is limited to 30 characters.</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Header</td>
<td>BHT</td>
<td>00</td>
<td>Claim or Encounter Identifier</td>
<td>Value &quot;31&quot; (Subrogation Demand) added. Used by state Medicaid agencies performing post payment recovery. Usage of loop ID 2010AC is required when this code is used.</td>
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<tr>
<td>Header</td>
<td>REF</td>
<td></td>
<td>Transmission Type Identification</td>
<td>Removed REF segment from Header into. This data is now contained in the Header (ST03).</td>
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</tr>
<tr>
<td>1000A</td>
<td>NM1</td>
<td>03</td>
<td>Submitter Name (Last or Org)</td>
<td>Length increased from 35 to 60</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1000A</td>
<td>NM1</td>
<td>04</td>
<td>Submitter Name (First)</td>
<td>Length increased from 25 to 35</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1000A</td>
<td>PIR</td>
<td>02</td>
<td>Submitter Contact Name</td>
<td>Changed from &quot;Required&quot; to &quot;Situational&quot;. Required if contact name is different than the name contained in Submitter Name (NM1) AND it is the first iteration of the Submitter EIN Contact Information (PIER) segment.</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>1000A</td>
<td>PER</td>
<td>03, 05, 07</td>
<td>Communication Number Qualifier</td>
<td>Value &quot;ED&quot; (Electronic Data Interchange Account Number) deleted.</td>
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<td></td>
<td></td>
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<tr>
<td>1000A</td>
<td>PER</td>
<td>04, 06, 08</td>
<td>Communication Number</td>
<td>Length increased from 80 to 256.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1000B</td>
<td>NM1</td>
<td>03</td>
<td>Receiver Name (Last or Org)</td>
<td>Length increased from 35 to 60</td>
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<tr>
<td>2000A</td>
<td>PRV</td>
<td>01</td>
<td>Provider code</td>
<td>&quot;PT&quot; (Pay-to) deleted.</td>
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<td></td>
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<tr>
<td>2000A</td>
<td>PRV</td>
<td>02</td>
<td>Reference Identification Qualifier</td>
<td>&quot;EZ&quot; (Mutually Defined) deleted. Replaced with &quot;PXG&quot; (Health Care Provider Taxonomy Code).</td>
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<tr>
<td>2000A</td>
<td>HKV</td>
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<td>Provider Taxonomy Code</td>
<td>Length increased from 30 to 50.</td>
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<tr>
<td>2010A</td>
<td>NM1</td>
<td>03</td>
<td>Billing Provider Name (Last or Org)</td>
<td>Length increased from 35 to 60.</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>2010A</td>
<td>NM1</td>
<td>04</td>
<td>Billing Provider First Name</td>
<td>Length increased from 25 to 35.</td>
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<td></td>
<td></td>
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<tr>
<td>2010A</td>
<td>NM1</td>
<td>08</td>
<td>Identification Code Qualifier</td>
<td>Changed from Required to Situational. &quot;30&quot; (NPI) is the only valid value. &quot;24&quot; (EIN) and &quot;34&quot; (SSN) deleted, but have been moved to the REF segment of the same loop.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2010A</td>
<td>NM1</td>
<td>09</td>
<td>Billing Provider Identifier</td>
<td>Changed from Required to Situational.</td>
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<td></td>
<td></td>
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<tr>
<td>2010A</td>
<td>N3</td>
<td></td>
<td>Billing Provider Address</td>
<td>Note changed to indicate that PVR box or Line box are not allowed in this segment. Must be a street address.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
5010 Changes to Keep in Mind identified during testing

- **NPI Usage**
  - NPI must be the same to all payers
  - Taxonomy may not be dictated by payers
  - Billing Provider Address must be a physical street address
  - Billing address zip code must be 9 digits
  - Pay-to Provider is now Pay-to Address (No NPI attached)
  - Billing Provider MUST always be most detailed level of enumeration as determined by the provider
  - Service Location loop may not contain subpart NPI of Billing Provider

- **Subscriber/Patient changes**
  - If a health plan assigns a unique identification number to a person, then that person is considered a subscriber in the transaction
  - Important to check eligibility to ensure the correct subscriber information is obtained
  - Staff training on the potential change when populating the insurance history information
5010 Changes to Keep in Mind identified during testing

- **Diagnosis Code Changes**
  - Diagnosis Code occurrence is increased from 8 to 12 to prepare for the future conversion to ICD-10
  - In 5010 there must be at least one Diagnosis Code on the claim

- **Related Causes Code Repeat**
  - Professional and Dental only, Loop ID 2300 CLM11-3
  - Ensure you report no more than two related cause codes on a claim

- **Claim Filing Indicator Code**
  - Loop ID 2000B/2320, SBR09 across all guides
  - Begin using 5010 code values. Values 09 - Self Pay, 10 - Central Certification and LI - Liability were removed
5010 Changes to Keep in Mind identified during testing

- **Drug Identification**
  - Changed number of repeats from 25 to 1
  - Begin using separate HCPCS codes for each NDC code when reporting compound drugs

- **Individual Relationship Code**
  - Many values removed begin using 5010 code values
  - Are you going to have to change the relationship codes on your existing patients?

- **Clinical Laboratory Improvement Amendment Number** (Prof only)
  - Report only one CLIA number at the claim level
  - If multiple CLIA numbers need to be sent, report the exception CLIA numbers at the individual line
5010 Preparedness Timeline

2010
- Analyze the impact 5010 will have on your practice
- Talk with vendors regarding upgrades for 5010
- Budgeting for 5010 impacts such as, system upgrades

2011
- Schedule software upgrades
- Prepare for testing with payers and/or clearinghouse. Both Standard or Non-Standard Format

2012
- Full Compliance with 5010

Beyond
- Maintain dual codebases for ICD-9 and ICD-10 for approximately 2 years.

2013
- Coder/biller training
- Review practice readiness
- ICD-10 Compliance

ZirMed Raintree SYSTEMS, INC.
ICD-10 Preparedness Timeline

- Analyze the impact ICD-10 will have on your practice
- Review payer contract for diagnosis
- Talk with vendors regarding upgrades for ICD-10

**2010**
- Budgeting for ICD-10 impacts such as, system upgrades and training

**2011**

**2012**
- Schedule software upgrades
- Monitor payer alerts and readiness.
- Prepare for testing with payers and/or clearinghouse.

**Beyond**
- Maintain dual codebases for ICD-9 and ICD-10 for approximately 2 years.

**2013**
- Coder/biller training
- Review practice readiness

October 1, 2013
HOW CAN ZIRMED HELP

Gap Analysis and Self Test Area
How can ZirMed Help with 5010?

ZirMed is committed to 5010 readiness for all solutions well in advance of the January 1, 2012 deadline.

- ZirMed has performed an extensive analysis of the impact that the 5010 changes will have on our customers and is ready to begin accepting test files for those customers who anticipate upgrading to the 5010 format.
- ZirMed will convert 4010A1, NSF, and Print formats indefinitely or until your vendor upgrades to 5010.
- ZirMed will coordinate/research TP (Payer) testing/readiness.
- ZirMed will be able to handle both 4010A1 and 5010 during the dual transition period.
How can ZirMed Help with 5010? (Cont’d)

Self-Service 5010 Testing Areas
Get a jump on 5010 compliance by checking your system and information against the new 5010 requirements using our self-service 5010 testing area.

Whether you choose to transition internally to the 5010 standard or let ZirMed do the translation for you, this free solution lets you upload your current claims to ensure compliance with this regulatory change.

- You will be able to test both the new 5010 format or the legacy format if you are not converting
- ZirMed will do an analysis of your current format to help you identify possible issues or changes if you decide not to go 5010
- ZirMed is currently engaged in 5010 pilot testing with key Payers and will implement the new 5010 standards upon approval
Summary of all Regulatory Mandates

- HIPAA Transactions
  - New versions of HIPAA Standards
  - New Transactions – EFT, Claims Attachments, Acknowledgements
  - New Operating Rules for all transactions

- Codes
  - Implementation of ICD-10

- Identifiers
  - New Identifier - National Health Plan ID

- Possible future areas for standardization
  - Provider enrollment, applicability of standards and operating rules to auto insurance and Workers Comp., claim edits, financial audits
Summary of Industry Resources

To obtain 5010 implementation guides

  X12  www.x12.org  or  http://www.wpc-edi.com

CMS 5010 Education

  www.cms.hhs.gov/Versions5010andD0

WEDI (Workgroup for Electronic Data Interchange)

  http://www.wedi.org

ZirMed 5010 Resource Center

  http://public.zirmed.com/5010info
Questions
Send your questions to:
5010info@zirmed.com

Thank you for joining us!