

Implementation of the NCPDP Standards for HIPAA II

March 2017

**Slide 2 – see important
implementation information on
Quantity Prescribed**



Telecom D.0 Imp Guide Enhancement for Rule Making

Implementation Guide Enhancement (2012)

- An issue was brought to NCPDP's attention by CMS regarding an OIG audit and Prescription Drug Event (PDE) reporting on Schedule II Controlled Substance claims. Based on numerous discussions, a recommendation was approved in November 2012 to support the use of the Quantity Prescribed (460-ET) in Telecom claims. This has resulted in the republication of the Telecom Imp Guides from version D.0 forward. See Members Section, Standards Download <http://www.ncpdp.org/Members/Standards-Lookup> for the November 2012 publication of the Telecommunication Imp Guide version D.0.
- NCPDP has requested the Department of Health and Human Services proceed with rulemaking process to name this version. Please check <http://www.ncpdp.org/Resources/HIPAA> under **Implementation Guide Corrections** banner for background and updates as known.
- NCPDP has notified to the best of our information all who were members (purchased guides) during this time and made the enhanced Telecommunication Standard Implementation Guide available.



The HIPAA II Implementation of the NCPDP Standards

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Pharmacy Standards Named

- Version upgrade:
 - **Telecommunication Standard Implementation Guide Version D.0 (from Version 5.1)**
 - **Batch Standard Implementation Guide Version 1.2 (from Version 1.1)**
 - New standard:
 - **Medicaid Subrogation Standard Implementation Guide Version 3.0**
- Note: pharmacy industry utilizes the X12 835 (remittance advice), 834 (enrollment), 837 (claim) and the 270/271 (eligibility) is used in electronic prescribing



NCPDP Publication Change

- Since the advent of HIPAA, NCPDP has modified the publication of documents to allow industry flexibility in addressing new business needs in a regulated environment. **In the past** NCPDP created three types of documents. They were:
 - *Standard*
 - *Implementation Guide*
 - *Data Dictionary*
- In old publications of documents, the above three documents were needed for implementation.



NCPDP Publication Change

- **In the current environment**, NCPDP publishes the following three types of documents:
 - **Standard Implementation Guide**
 - **Data Dictionary**
 - **External Code List**
- The documents are used together, to provide a complete picture of the implementation of the standard. See the Matrix for the association

<http://www.ncpdp.org/NCPDP/media/pdf/StandardsMatrix.pdf>



NCPDP Standard Implementation Guide

- The **Standard Implementation Guide** contains the business and technical definition of the transactions
 - the actual transaction layouts, the syntax and formatting rules, the transaction rules, and usage
 - information about the implementation of the standard by the use of descriptive paragraphs, business situations, examples, and frequently asked questions.
- This one document combines what was in the Standard and in the Implementation Guide in previous versions.



NCPDP Data Dictionary

- The **Data Dictionary** contains the actual field descriptions
 - sizes, formats, comments, and usage instructions
- Which Data Dictionary do I use?
 - See the Matrix
<http://www.ncpdp.org/NCPDP/media/pdf/StandardsMatrix.pdf>
- Use of the correct publication of the data dictionary for a version of a standard is critical as each publication directs the proper use of a data element and data element values where applicable.



NCPDP External Code List

- The **External Code List** is a list of value codes with descriptions for data elements.
 - The actual data elements still appear in the main Data Dictionary.
- The External Code List process allows values to be added to a data element without going through a ballot.
 - The timeline to incorporate a value into a business need is shortened.
- Versions are upgraded quarterly if needed and are available for business use.



NCPDP External Code List

- Use of the correct publication of the External Code List for a version of a standard is critical as each publication directs the proper use of a data element and data element values where applicable.
- Which External Code List do I use?
 - See the Matrix
<http://www.ncpdp.org/NCPDP/media/pdf/StandardsMatrix.pdf>
 - Important for understanding the rules for usage – See ***Process Overview for External Code List and Telecommunication Emergency External Code List*** at
<http://www.ncpdp.org/Members/Standards-Lookup> (left side)



External Code List Publication Recommendation

- March 2010 ECL publication should be the highest version in use when implementing the NCPDP Telecommunication Standard Version D.0 to meet the January 01, 2012 compliance date.
 - This is an industry recommendation. It does not have force of regulation.
- Adoption of an annual ECL implementation schedule to incorporate up to four (4) ECL publications each year.
- Annual implementations are effective each October, starting with 2012.
- ECL Publication and Implementation Chart provides key dates in which full ECL Publications and ECL Emergency Values should be implemented.



NCPDP Version D Editorial

▪ Frequently Asked Questions, Important Editorial Changes

- This document provides a consolidated reference point for questions that have been posed based on the review and implementation of the NCPDP Telecommunication Standard Implementation Guide and Data Dictionary for Version D.
- This document also addresses editorial changes made to these documents. Since the HIPAA-named Standards documents are "frozen" from changes, this document provides helpful FAQs, typographical changes and corrections, and further guidelines for implementation.
- This document is very important to implementers of the Telecommunication and Batch Standards, and Medicaid Subrogation Implementation Guide, as appropriate . Please continue to review this link as the document is updated as needed.
- This document is cited as a reference in the implementation guides, and guidance given in this document is to be implemented as standard.
- Is available on the HIPAA Public page <http://www.ncdp.org/Resources/HIPAA> under Telecommunication Version D.0 banner and on the Standards Download page <http://www.ncdp.org/Members/Standards-Lookup>



Reference for What Changed

- Each document contains an appendix of the running list of changes
 - *Implementation guide*
 - *Data Dictionary*
 - *External Code List*
 - *Version D Editorial*
- Telecommunication Implementation Guide contains
 - Matrices with legends for assisting with changes
 - Appendix of changes from each version
 - The Appendix containing Version D.0 changes also includes a section on “editorial” corrections which will be updated as needed.



Telecommunication Standard Implementation Guide Version D.0

Supports the following processes (and others)

1. Eligibility Verification
2. Claim
3. Service
4. Information Reporting
 - a. Not named in HIPAA, but is used in Medicare Part D True Out of Pocket (TrOOP) reporting and in Drug Utilization Review reporting
5. Prior Authorization
6. Predetermination of Benefits
 - a. New transaction, not named in HIPAA but can be used to identify if the patient is eligible for prescription coverage, if the submitted product is covered, the patient financial responsibility at that point in time, and identify clinically relevant information that may influence the submission of a corresponding prescription claim request.
 - b. Does not result in payment or application to the patient's benefit.

Transactions already named in HIPAA 1996.



What changed in Telecom?

▪ **Field and Segment Defined Situations**

- Fields and segments displayed as optional within the Implementation Guide were reviewed and determined, according to the transaction type and its associated response, to be “Not Used”, “Required if”, “Required”, or “Optional”. Fields and segments cannot be used in a manner other than as stated in the situations. This action was taken to address the situational versus optional data requirements discussed in the HIPAA Privacy Regulations.

▪ **Request and Response Matrices**

- The industry expanded the segment usage matrices to help clarify which segments and fields are sent for each transaction type. The segments and the fields within each transaction type have been very specifically defined.



What changed in Telecom?

■ **Medicare Part D enhancements –**

- A new entity of Facilitator and the process of Informational Transactions enhanced.
- Eligibility Transaction enhanced for the Facilitator to provide patient eligibility information for Medicare Part D and other insurance coverage,
- Long Term Care Pharmacy claim processing enhancements to appropriately identify and process Medicare Part D claims.

■ **Medicare Part B enhancements –**

- Three segments were added to allow for the processing of Medicare certificates of medical necessity.
- New data elements were added to allow for the items needed to process Medicare Part B transactions and assist in the crossover of claims from Medicare to Medicaid.



What changed in Telecom?

- The **only method for billing of compounds** is by the use of the Compound Segment. The two alternatives supported in previous versions for compounded claim processing were removed.
- **Clarification for pricing guidelines.** New fields were added and existing fields redefined to further clarify/correct the financial balancing of transactions.
- **Coordination of Benefits (COB) -**
 - Extensive clarification was made to the Implementation Guide for Coordination of Benefits processing. COB is more complicated with more complex rules than in the past. Specificity was given to the COB process by including new data elements such as patient responsibility and benefit stage fields as well as refining the use of the Other Coverage Code field.



What changed in Telecom?

- **Prior Authorization** Additional guidance was given for the Prior Authorization transactions with the addition of a new section to the implementation guide.
- **Prescription/Service Reference Number (402-D2)** was increased to 12 digits.
- **Payer to Payer processing** addresses the business needs of crossover and subrogation transactions and Information Reporting.
- **Service Billings** now have their own Transaction Code (S1, S2, S3).



Sections of Note in Telecom

■ Each transaction set (Eligibility Verification, Claim Billings, Service Billings, etc) have their own section of explanation.

Section contains

- Business and technical rules
 - Segment diagrams for transmission
 - Segment and field request tables with mandatory/situational rules for usage
 - Segment and field response tables with mandatory/situational rules for usage
- Response Processing Guidelines
- Appropriate use of each response
 - Pricing Guidelines



Sections of Note in Telecom

- Specific Segment Discussion
- Transmission Examples
- Frequently Asked Questions
- Appendix of Changes
- Important reference appendices



Batch Standard Implementation Guide

Version 1.2

- Version change (from 1.1 to 1.2)
 - Editorial changes made
- A batch “wrapper” for the Telecommunication Standard Implementation Guide
- The same parsing routines can be used for the batch detail records as the real-time transactions



Medicaid Subrogation Standard Implementation Guide Version 3.0

- New implementation guide named
- Medicaid Subrogation is a process whereby Medicaid is the payer of last resort.
 - The state has reimbursed the pharmacy provider for covered claims and now is pursuing reimbursement from other payers for these claims.
 - Some states may choose to “Pay” all claims in full, through a federal waiver, at the point of receipt and “Chase” reimbursements from responsible third parties after the fact.



Medicaid Subrogation Standard Implementation Guide Version 3.0

- The Medicaid Subrogation transactions use the Telecommunication Standard Implementation Guide transactions.
 - May be real-time
 - May be wrapped in the Batch Standard Implementation Guide
 - The same parsing routines are used.



Other Reference Guides

- For specific subject matter, other NCPDP documents may provide valuable information. These documents include:
 - Billing Unit Standard Implementation Guide
 - Pharmacy ID Card Implementation Guide
 - Standards Matrix
- Information about these documents is available at <http://www.ncpdp.org/Standards/Standards-Info> and <http://www.ncpdp.org/NCPDP/media/pdf/StandardsMatrix.pdf>



Obtaining NCPDP Documents

- NCPDP receives its funding from membership.
- With a yearly membership, you receive all the implementation guides and associated documents for all the versions published.
- You receive any updates to these documents via the Members “Standards Download” section of the website.
- You receive industry activities information.
- You may attend the quarterly work group meetings at no charge as a member.
- You may attend educational programs and Annual Conference at member rates.
- We welcome your participation. See <http://www.ncpdp.org/Membership>



So what do I need to implement Telecommunication D.0?

- **Members only section, Standards Download**
 - <http://www.ncpdp.org/Members/Standards-Lookup>
(Choose Telecommunication in Search box)
 - ***Telecommunication Implementation Guide Version D.0***
 - ***Data Dictionary*** dated 07/2007
 - ***Version D Editorial*** document (most current)
- and...



So what do I need to implement Telecommunication D.0?

- **External Code List** of 07/2007 through most current (recommendation to use most current)
 - See **Process Overview for External Code List** document
 - ECL Publication and Implementation Chart to provide key dates in which full ECL Publications and ECL Emergency Values should be implemented across all industry participants supporting the NCPDP Telecommunication Standard.
 - **Emergency Telecommunication External Code List Value Addendum** document
 - The addendum is listed under a quarterly ECL for the list of values approved for emergency implementation and the ECL Publication and Implementation Chart.



So what do I need to implement Batch 1.2?

Members only section, Standards Download

<http://www.ncpdp.org/Members/Standards-Lookup>

(Choose Batch, then Telecommunication in Search box)

- ***Batch Implementation Guide Version 1.2***
- ***Telecommunication Implementation Guide Version D.0***
- ***Data Dictionary*** dated 07/2007
- ***External Code List*** of 07/2007 through most current
- ***Version D Editorial*** document (most current)



So what do I need to implement Medicaid Subrogation 3.0?

Members only section, Standards Download

<http://www.ncpdp.org/Members/Standards-Lookup>

■ If real-time processing

- Medicaid Subrogation Implementation Guide Version 3.0
- Telecommunication Implementation Guide Version D.0
- Data Dictionary dated 07/2007
- External Code List of 07/2007 through most current
- Version D Editorial document (most current)

■ If batch processing

- Batch Implementation Guide Version 1.2
- Medicaid Subrogation Implementation Guide Version 3.0
- Telecommunication Implementation Guide Version D.0
- Data Dictionary dated 07/2007
- External Code List of 07/2007 through most current
- Version D Editorial document (most current)



Implementing X12 Transactions

- Obtain ASC X12 Transactions
 - <http://www.x12.org/>
- Obtain errata



Thank You

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