

Dermatology Coding Alert

Version 5010: Make Sure Your Electronic Transactions Don't Bomb on Jan. 1

Compliance, payment, and ICD-10 hang in the balance.

Say goodbye to forms 4010/4010A1 for electronic transactions starting Jan. 1, 2012. That's the date you'll need fully functional form 5010 to comply with the Health Insurance Portability & Accountability Act of 1996 (HIPAA) electronic transaction standards.

If you don't have your 5010 glitches worked out by that date, you won't be able to submit electronic transactions to Medicare.

Get Ready for ICD-10

Version 5010 lays out the technical electronic standards mandated for HIPAA transactions -- that includes claims, eligibility inquiries, remittance advice, and payment data using ICD-10.

The current version -- 4010/4010A1 -- does not accommodate the ICD-10 code set. That's why CMS will require version 5010 for use by all HIPAA-covered entities (providers, health plans, clearinghouses, and their business associates, including billing agents) as of Jan. 1, 2012.

Timeline: CMS began accepting 5010 forms effective Jan. 1, 2011, and the agency will require the form as of Jan. 1, 2012. The ICD-10 codes will take effect on Oct. 1, 2013, allowing for 5010 testing and implementation time.

Beware 5010 Glitches

Experts who are working with the 5010 conversion are alerting others to some common pitfalls you should prepare for. **Fixing P.O. box is up to you:** Under the new 5010 standards, the place of service address (the doctor's practice office location) cannot be a P.O. box -- it has to be a street address, says **Robert B. Burleigh, CHBME**, president of Brandywine Healthcare Services in West Chester, Penn. If it isn't a street address, the claim will reject. Fixing the problem is up to you. "The vendor doesn't have control of the provider master list -- the practice or billing company has to make sure that address is a street address."

Notice that the "pay to" address can continue to be a P.O. box. "The problem is that some of the low-end systems don't have a place for two addresses," Burleigh says. Practices that maintain lockboxes with P.O. box addresses but who don't have the ability to fill in two different fields will either have to give up lockboxes so claims won't reject, or use the lockbox address and face claim rejections.

Solution: Now is your chance to research form 5010 problems and see if you need a software upgrade while there's still time. "Practices may have to update software, which means working with vendors -- and there are several steps to go through for that," points out **Catherine Brink, CMM, CPC, CMSCS**, owner of HealthCare Resource Management, Inc., in Spring Lake, N.J.

Rectify patient information, too: Dig into your claim forms now to ensure that the beneficiary's information is accurate to the letter, or you'll face scores of denied claims on the new HIPAA 5010 forms. That's because CMS will deny claims with a beneficiary's name that doesn't perfectly match how it's listed on the Medicare I.D. card. Along with the patient's last name, you need to be sure you include suffixes, such as Jr. or Sr. abbreviations. Additionally, the date of birth you put on the claim form must match exactly what the Social Security Administration has on file.

New remark codes: CMS will use several new error codes on claims once the 5010 form goes into effect. If you use a clearinghouse, you should discuss with them how they'll communicate these errors to you, and how these changes will impact your practice.

Who's affected? The transition to 5010 is not just for practices that deal with Medicare. Some payers are even going active with version 5010 in August of this year, Brink says.

"Either directly or indirectly, HIPAA Version 5010 will impact nearly everyone involved in healthcare transactions—providers, clearinghouses, and payers, as well as vendors who provide practice management (PM) systems and other transaction-related software(s)," says **Kim Dues, CPC**, owner of Mass Medical Billing Services in Dickinson, Tex. "It is mostly a complex technical issue for those on the business and administrative side. Although, if the implementation doesn't go smoothly, it will affect all."