

Health Information Compliance Alert

TRANSACTIONS AND CODE SETS: HOW TO TAME THE TCS RULE BEAST

Hint: Communication and cooperation go a long way

The Oct. 16 deadline for the Transactions and Code Sets rule has come and gone, but are you sending compliant transactions? If you answered 'No,' you aren't alone. Luckily, our experts have some tips to get your transactions ball rolling.

HIGH STANDARDS

Designed to standardize transactions across the health care industry, the TCS rule has left a bevy of problems in its wake. Notably, the still undefined "standard claim," explains **Becky Williams**, an attorney with Davis Wright Tremaine in Seattle.

"HIPAA created a trade-off," says **Robert Fisher**, president and CEO of Foresight Corporation in Dublin, OH. Good: The regulation eliminated the scramble between payers and providers to send the right formats. Bad: It also elevated transactions to a whole new level of complexity, he adds.

Ideal: You should be able to pull out a single form, fill it out and have it accepted across the board. Yet, "everyone is operating under a different idea of what is a compliant form," Williams says.

According to the U.S. Healthcare Industry HIPAA Survey published July 22 by Phoenix Health Systems and the Health-care Information And Management Systems Society (HIMSS), 50 percent of providers and 63 percent of payers polled said they aren't conducting all the transactions they are capable of because their trading partners cannot accept or transmit them.

The result? "If you are ready to go, you incur extra expenses because you're doing standard transactions with some payers," but you have to maintain other systems to transact with others, Williams explains.

JUMP THE HURDLE

The best way to settle on a single standard is communication and collaboration between payers and providers, experts tell **Eli**. In a June 30 press release, Centers for Medicare & Medicaid Services' administrator **Mark McClellan** echoed this sentiment: "By working collaboratively with health care providers on the use of standard electronic claims, we've been able to reach 90 percent compliance."

Strategy: Don't wait on your payers, asserts **Joseph Nichols**, director of healthcare solutions at Edifecs Inc. in Bellevue, WA. Instead, you should initiate end-to-end testing with all of your trading partners, he suggests.

You cannot wait to get the ball rolling, Nichols insists. Even if your claim is compliant, you have to ensure those you work with can accept it in their systems, he explains. While everyone is testing in-house, only 27 percent of those sampled in the survey had conducted testing with their trading partners.

And without interoperability, a compliant claim is worthless. Tip: Develop and test scenarios that represent your business and then track them through your payers' systems, Nichols recommends.

Remember, you have to get all the way through your payers' systems and receive a remittance advice telling you that the claim was successful, Nichols stresses. Without the remittance advice, you're still hitting snags, he says.

BYPASS THE MIDDLEMAN

Right now, a claim might pass through four or five channels before landing at its final destination, Williams describes. This meandering path makes it hard to know where a claim is and if it failed, she says.

Tip: Submit claims directly to your payer rather than handing it off to a clearinghouse, Nichols offers. And tell your vendors you plan to pay directly, he suggests. Once you've tested with your payers, your vendors can design your health information management system to create a claim that works - taking that job right out of your hands, Nichols reminds.

TAKE ON TECHNOLOGY

Don't be afraid to look around for help, Fisher stresses. Example: Use a filter like Foresight Corporation's Transaction InSight to root out non-compliant claims before they leave your system, he suggests. That way, one 'bad' claim won't halt payment for an entire transaction, he explains.

You have to fix problems regardless of whether they occur in the payer's system or the provider's, Nichols stresses. Tip: A testing portal, such as Edifecs' HIPAADesk.com, allows payers, vendors and providers to meet in a controlled environment and work through glitches, Fisher asserts.

Once claims are interoperable, the door is open for the other important transactions like eligibility claims and claim status, Williams reminds. According to a WebMD white paper published July 19, only 3.1 percent of WebMD's payers are now using all of the transactions available to them.

THE BOTTOM LINE

"No one is getting a return on investment by changing to the HIPAA format," Fisher notes. And the return won't be fully recognized until payers and providers begin using all the transactions - not just the one that gets them paid, experts concur.

"The health care industry is extremely adaptable," Williams reminds. Compliance with the transactions and code sets rule is possible, but "the industry has to pull together and work together toward that goal," she maintains.