

## Health Information Compliance Alert

### Version 5010 Conversion: Avoid Countless Denials in the New Year -- Check to See If You're Prepared for the 5010 Conversion

**You are not too late to prepare for the Jan. 1 deadline, experts say.**

The drop-dead date for implementing Health Insurance Portability & Accountability Act of 1996 (HIPAA) version 5010 is less than two months away. If your practice isn't ready, there's no time to lose. Here's what you need to know to stay compliant and avoid financial nightmares.

#### **Question 1: What Is Version 5010 Anyway?**

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.

Beware: The transition to 5010 is not just for practices that deal with Medicare. Some payers are even going active with version 5010 before Jan. 1.

The last day CMS will accept a 4010A1 form will be Dec. 31, 2011. As of Jan. 1, 2012, if you aren't using the 5010 form, you'll "lose the ability to receive eligibility data from Medicare," said **Veronica Harshman** of CMS's Division of Medicare Billing Procedures during an Open Door Forum last year. In other words, she noted, mandatory compliance of the 5010 form will begin on Jan. 1, 2012.

#### **Question 2: What Happens If We Don't Comply?**

If you don't have your 5010 glitches worked out by the implementation, you won't be able to submit electronic transactions to Medicare or other payers and you'll quickly lose money.

"It will be an operational disruption to your business model," says **Kim Dues, CPC**, owner of Mass Medical Billing Services in Dickinson, Texas. "What is that in layman's terms? It means no money! Payer by payer you will get denial message and your money will dry up!"

"Doctors and other healthcare providers that have done nothing to comply with 5010 should prepare for cash flow issues," says **Cyndee Weston**, executive director of the American Medical Billing Association in Davis, Okla. "Even those that have tested and completed implementation should be prepared for technical glitches that might disrupt cash flow."

Note: If your practice is submitting paper claim forms now, you should not experience a change in that paper

claim form for 5010. However, if the new electronic billing changes that will be required for the new 5010 form make your head spin, don't be tempted to rely on paper forms. CMS is trying to limit how many paper forms it receives and requires a waiver for providers who need to continue billing on paper.

Pointer: Small practices with less than 10 employees may fall under the "ASCA (Administrative Simplification Compliance Act) waiver," which means they "technically will still be able to bill the 1500 [form] for professional claims," said CMS's **Aryeh Langer** during National Provider Call regarding HIPAA 5010 call in September. Therefore, the conversion to 5010

"will have little impact, if any," to these small practices, he added.

CMS defines "small providers" as those with less than 10 full-time employees, including physicians. Those practices can apply for the ASCA waiver, which would preclude them from having to file electronically. To apply for an ASCA waiver, visit [www.cms.gov/ElectronicBillingEDITrans/07\\_ASCAWaiver.asp](http://www.cms.gov/ElectronicBillingEDITrans/07_ASCAWaiver.asp) or your MAC's Web site.

Don't miss: Small practices will still be expected to report ICD-10 codes -- the waiver will not excuse them from switching from ICD-9 to the new system on Oct. 1, 2013. However, an approved ASCA waiver will allow those practices to keep using the CMS-1500 form instead of electronically reporting the 5010.

### **Question 3: Is It Too Late To Prepare?**

No, it isn't too late. While you may be behind in the testing phases, you should start now before it does become too late.

Get started: So what should you focus on? "Test, test, test with your clearing house until all error messages are gone," Dues says. "Start today." See next page for a checklist that details what you should be doing right now to get ready.

Warning: Don't expect a grace period if you aren't prepared by January. "The Jan. 1 deadline is the real deadline," Dues explains. "They will not extend it. Do not second guess the industry on this issue."

For more information on HIPAA 5010, visit [www.CMS.gov/Versions5010andD0](http://www.CMS.gov/Versions5010andD0).